THE INFLUENCE OF STAFF TURNOVER ON PROJECT PERFORMANCE IN THE BANKING SECTOR IN KENYA: A CASE OF FAMILY BANK

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DECLARATION

I declare that this document and the research that it describes are my original work and that they have not been presented in any other university for academic work.

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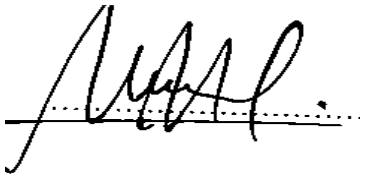


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This research was conducted under our supervision and is submitted with our approval as university supervisors.

Supervisor Name: DR PETER MAGERO



10/6/2021

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DEDICATION

This research project is dedicated to my entire family for their prayers, support and motivation throughout the study period. Your inspiration, love, encouragement and support in diverse forms will always be remembered and cherished.

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ABSTRACT

Most organization's performance and productivities are influenced by the staff turnover. To survive and remain competitive in the evolving and highly competitive environment, organizations need the human touch to work. This study aimed at investigating the influence of staff turnover on project performance in the banking sector. The study was guided by three objectives: determining the influence of staff turnover in terms of costs on the organization's performance, finding out the influence of staff turnover in terms of productivity on the organization's performance and finding out the influence of staff turnover in terms of staffs' morale on the organization's performance. The study was also guided by three theories namely; Abraham Maslow's hierarchy of needs theory, Herzberg's to factor theory and Vroom's expectancy theory. The study adopted a descriptive research design. The study target population was 80 staffs from the family bank headquarter in Nairobi with a sample size of 67 staffs. Primary data was collected using a semi-structured questionnaire. The validity and reliability of the questionnaires was tested through a pilot study that was conducted at Family Bank Kasarani branch. The reliability of the research instrument was done using the Cronbach's Alpha. The data analysis for this study was conducted through Statistical Package for Social Sciences (SPSS) in form of frequencies, means, and standard deviation as descriptive statistics. Findings were presented in form of figures and tables which concluded that high staff turnover has a negative impact on the financial performance on banking sector. Recommendations were generated based on the outcomes of the data analysis whereby the main recommendation was for banks to retain its staff so as to reduce on costs.

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First and foremost, I would like to express my highest gratitude to God for the blessings, love, opportunity, health and mercy to complete this research project.

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To the Management of Family Bank, thank you for accepting my request to undertake my research project at your organization and also allowing me to use various information sources for the purpose of my research work.

To my beloved parents and siblings thank you so much for your endless love, prayers, support and motivation.

Finally, thank you to all those who took their time to assist me in one way or the other while I undertook this research project.

DEFINITION OF TERMS

Cost: The amount that has to be paid or spent to buy or obtain something

Functional Quality: Classification of service quality dimension that represents how the service is delivered and pertains to the interpersonal and relational part of service process (Kandam, 2002)

Productivity: The rate of production per unit of time (Munsaka, 2004)

Production Cost: The total price paid for resources used to manufacture a product or create a service to sell to consumers including raw materials, labor, and overhead.

Project Performance: The degree of achievement of a project goal within the stipulated project period and budget (Chapelier & Shah, 2013)

Staff Morale: The overall outlook, attitude, satisfaction, and confidence that employees feel at work. (Osarenkhoe, 2007)

Staff Turnover: The analysis of the numbers of people leaving or entering employment (Nwagbara, Smart, Ugorji&Ennsra, 2013)

Work life Balance: The state in which staff can maintain a happy personal life while being successful at work giving them a sense of personal fulfillment (Nel, 2009)

LIST OF ABREVIATIONS

CBK	Central Bank of Kenya
EPS	Earnings Per Share
HR	Human Resource
KPI	Key Performance Indicator
MFI	Mobile Financial Services
NII	Net Interest Income
NIM	Net Interest Margin
SACCOs	Savings and Credit Cooperative Organizations
SOPs	Standard Operation Procedures
SPSS	Statistical Package for Social Sciences
TIB	Tanzania Investment Bank

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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

This study intends to investigate the influence of staff turnover on project performance in the banking sector in Kenya. This chapter looks into the background of the study, statement of the problem, the objectives of the study, significance of the study, scope of the study, limitations and de-limitations of the study, and conceptual framework.

1.2 Background to the Study

Over the last decade, staff turnover in organizations has received massive attention among academicians and practitioners in equal measures globally. While much of the focus has been given on understanding the causes of staff turnover, Muhammad N., Muhammad R. and Riaz (2013) points out that the ultimate end-result of staff turnover is quite disastrous to organizations.

The failure or success of an organization can be summed up to the inputs initiated from its human resource, its technology and the type of materials it has. Technology and materials cannot operate in isolation, they need the human touch and hands to make an organization perform effectively and efficiently. It is a general fact that highly satisfied & motivated staffs following a pattern of daily work management have been the core strength of most successful organizations.

According to Armstrong (2003), staff turnover or wastage is the analysis of numbers of people leaving an organization. Staff turnover can also be defined as the rate at which staffs leave or enter employment (Nwagbara, Smart, Ugorji, &Ennsra, 2013). In the human resource context, staff turnover is the rate at which an employer gains and losses staffs. Staff turnover is measured for individual companies and for the industry as a whole. If an employer is said to have a high

staff turnover relative to its competitors, it means that staffs of that company have a shorter average tenure than those of other companies in the same industry. High turnover may impact on a company's productivity if high performing staff are leaving and those left contain a high percentage of inexperienced or novice workers (Armstrong, 2003).

Staff turnover in organizations is one of the main issues that extensively influence the overall performance of an organization. It is often suggested that organizations should adopt the clear Standard Operation Procedures (SOPs) that decrease the gap among the top management and the middle management in order to identify and resolve the issue of staff turnover in the organization. According to Song, Martens, McCharen, and Ausburn (2011), staff turnover is a critical concern because turnover results in the loss of valuable knowledge assets from an organization's experienced staffs.

Turnover can be classified into; involuntary and voluntary turnover. Involuntary turnover is initiated by the organization often among people who would prefer to stay while voluntary turnover is initiated by staffs often whom the company would prefer to keep (Noe, Hollenbeck, Gerhart & Wright, 2003). Kazi and Zedah (2011) observed that involuntary turnover is considered to depend on factors that are outside of management control. Marti, MacLeod and Clarke (2009) named these as uncontrollable factors and mentioned perceived alternative, staff opportunity and job-hopping as examples. Staff deaths, chaos in the country, in fulfillment of essential needs of life and health matters has been declared by Kazi and Zedah (2011), as examples of involuntary turnover. On the other hand, voluntary turnover is dependent on staff him/herself and can be experienced by a staff to realize individual achievement comparable to job. Marti et al. (2009) names these controllable factors and mentioned satisfaction with pay,

nature of work and supervision, organizational commitment, distributive justice and procedural justice as examples of voluntary turnovers. Stovel and Bontis (2002) comments that involuntary turnover refers to the discharge of staffs, whereas voluntary turnover take place when staffs leave the job. Organizations place a high value on retaining staffs, which is a strategic value of replacing human capital. Intention to leave an organization, while not always actually leading to turnover, is an important outcome variable when determining a good predictor of turnover behavior for staffs (Chang, Wang, & Huang, 2013).

Staff turnover analysis provides data for use in supply forecasting so that calculations can be made on the number of losses that may be replaced. More importantly the analysis of numbers of leavers and the reasons why they leave provides information which will indicate whether any action is required to improve retention rates. It can prompt further investigations to establish underlying causes and identify remedies (Armstrong, 2003). Turnover always rises when the economy is strong and jobs are plentiful because there are more opportunities available for people to change employers. Conversely, during recessions staff turnover falls because relatively few attractive permanent positions are advertised (Torrington, Hall, & Taylor, 2005).

Torrington et al. (2005) argued that the attrition rates which may inflict measurable damage to organizational performance vary from organization to organization. For example some chains of fast foods restaurants are widely reported as managing turnover rates in excess of 300% with an average tenure for each staff at only four months, yet the companies concerned are some of the most successful in the world (Ritzer, 1996; Cappelli, 2000).

According to Torrington et al. (2005), further research studies undertaken annually in the U.K.by the Chartered Institute of Personnel and Development persistently show retailing and catering to

be the sectors with the highest turnover levels, with the rates averaging over 40 per cent in recent years. By contrast the most stable workforces are to be found in the public services, where reported annual turnover rates are only 10 or 11 per cent.

1.2.1 Banking Industry in Kenya

The Companies Act, the Central Bank of Kenya (CBK) Act and the Banking Act are the main regulators and governors of Banking Industry in Kenya. These Acts are used together with the prudential guidelines which Central bank of Kenya issues from time to time. As at 31st December 2017, the Kenyan banking sector comprised of the Central Bank of Kenya, as the regulatory authority of 28 domestic and 14 foreign commercial banks with branches, agencies, and other outlets throughout the country; one mortgage finance company; eight representative offices of foreign banks; eleven licensed deposit taking microfinance institutions; 49 insurance companies; the Post Office Savings Bank with a large network of branches around the country; 79 foreign exchange (forex) bureaus; three licensed credit reference bureaus, 14 money remittance providers and about 200 deposit-taking licensed savings and credit cooperative organizations (SACCOs) with a membership of over 3 million Kenyans. However, the banking sector is essentially dominated by four major commercial banks, namely Equity Bank, Kenya Commercial Bank, Barclays Bank of Kenya and Standard Chartered. In addition smaller banks have emerged and experienced tremendous growth in recent years (CBK, 2016).

The banking sector was liberalized in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system (‘Overview

of banking industry' Retrieved from http://www.equitybank.co.ke-Equity Annual reports and financial Statements 2005, 2006, 2007, 2008,2011,2012) for Equity Bank.

Over the last few years, the banking sector in Kenya has continued to grow in assets, deposits, profitability and products offering. The growth has been mainly underpinned by; firstly; an industry wide branch network expansion strategy both in Kenya and in the East African community region. Second; automation of a large number of services and a move towards emphasis on the complex customer needs rather than traditional "off-the shelf' banking products ('Overview of banking industry' Retrieved on 05 December 2009 from http:www.kcbbankgroup.com.ke-KCB Annual reports & financial statements 2007, 2008) for Kenya Commercial Bank (K) Ltd.

Financial inclusion in Kenya has continued to rise with the percentage of the population living within 3 kilometers of a financial services access point rising to 77.0% in 2016 from 59.0% in 2013. This has been driven by digitization, with Mobile Financial Services (MFS) rising to be the preferred method to access financial services in 2016. However, Kenya's listed banks recorded a negative EPS growth of 13.8% in H1' 2017, compared to an average positive growth of 15.5% in H1' 2016. The poor performance was on the back of a decline in Net Interest Income (NII) following the capping of interest rates. The Net Interest Margin (NIM) declined to7.7% in H1' 2017 from 8.4% in H1' 2016.

Listed banks recorded gross loans and advances growth of 9.3% to Kshs1.9 trillion in H1' 2017 from Kshs. 1.7 trillion in H1' 2016, slowing down from the 5 year average growth rate of 14.6%. On the other hand, deposits grew 14.4% to Kshs. 2.4 trillion in H1' 2017 from Kshs. 2.1 trillion in H1' 2016, faster than the 5 year average of 12.8%.

Major issues facing the banking industry includes: competition for clients and talents, staff turnover, fraud, minimum core capital requirements, Terrorism and Money laundering. Global crisis in 2010 affected banking industry in Kenya and more so the mobilization of deposits and the decline of Interest margins. Banks are very conservative with negative information; however recruitment statistics from (Manpower & PWC, 2012) revealed a standard staff turnover rate to be 10 percent, meaning 3000 staffs from the estimated 30000 voluntary leave employment, this is considered as normal and healthy statistics.

1.2.2 Background of Family Bank Ltd

Family Bank became a fully-fledged commercial bank in May 2007 from only one branch in 1985. The Bank has grown over time and currently enjoys a network of over 90 branches countrywide. It was the first Bank in Kenya to introduce paperless banking through smart card technology that enables customers to transact without having to fill in deposit or withdrawal slips. In 2013, the Bank hit the one Billion Shilling mark for the first time ever doubling its pre-tax profit by 108% growth to 1.78 billion.

In 2019 the Bank attained a profit after tax of Ksh 364.397 billion up from Ksh 90.651 billion over a similar period in 2018 buoyed by increased lending, aggressive deposits growth and growth in customer base. The Bank has significantly expanded its balance sheet over the past few years with the loan book, assets showing tremendous growth trajectory. The bank has over 1.7 million customers with a growing balance sheet and deposit base. (http://familybank.co.ke/about-us/profile)

Today many customers have graduated to higher levels economically and are involved in complex and sophisticated activities including imports and exports as well as local and international money transfer. Family bank has widened its capacity to serve all their customer needs including cheque books, clearing electronic funds transfer, mobile banking, foreign exchange and international banking.

1.3 Statement of the Problem

Staffs are the main pillars and the most important factor in driving the success of the organization. They are the people who have the function and ability to organize and manage the outcome of one certain assignment. In the banking industry, staffs are expected to demonstrate a very high performance in order to achieve the organization's mission, goal and objective each year which highly depend on the sales volume of their products and services. Compared to other industries, banking industry is well known with high workload and stringent time frame for their staffs to adhere with, which can be recognized as major contributions to the increase of turnover rate.

According to Dlamini-Zuma (2009), staff turnover is of great concern to organizations because it is very costly to companies considering the costs of recruiting, orienting and training a replacement (estimated cost stands at 50% of that person's annual salary). This involves incurring large costs in terms of time and money to ensure a flawless transition and adaptation to the organisation's working environment and demonstration of the required skills and experience (Maxwell, 2010). Staff turnover can also lead to personal tensions in other staffs and this has potential to further increase turnover and organizational ineffectiveness because those who remain do additional work until the replacement performs at an acceptable level.

Philip (2008) also states that staff turnover involves allocation of tasks to less skilled and inexperienced employees who may not have the technical know-how on how to execute the required services, leading to the realization of lower customer satisfaction. This has ripple effects on decline in sales revenue and hence further loss in organizational efficiency by affecting internal business processes. Family bank ltd in the banking industry in Kenya has been facing stiff competitive pressures from other banks in terms of their products and services forcing them to achieve competitive advantage through cost leadership strategies and product leadership and yet be able to offer unmatchable quality.

Tighter labour market conditions are mounting more pressure for these employers in the recruitment and selection process in addition to motivation without necessarily improving the pay levels (Paul, 2009). However, organizational ability to retain employees is dependent on many functional factors. Studies conducted on employee turnover particularly on countries in the West have revealed conflicting results on the factors leading and contributing to employee turnover (Mungumi, 2000). Previous findings concluded that labour is related to a wide array of factors ranging from industrial, economic and demographic factors to factors such as education, sex, age and duration of service amongst others (Roller et al., 2001). This study tried to fill the gap in knowledge on the influence of staff turnover on project performance at Family Bank Limited.

1.4 Purpose of the Study

The study tried to fill in the gap on the knowledge on the influence of staff turnover on project performance at Family Bank Limited in the banking sector in Kenya.

1.5 Objectives of the Study

This study was guided by general and specific objectives as follows:

1.5.1 General objectives

The main objective of the study was to establish the influence of staff turnover on project performance in the banking sector in Kenya a case study of Family bank.

1.5.2 Specific objectives

i. To determine the influence of cost on project performance in the banking sector in Kenya.
ii. To find out the influence of productivity on project performance in the banking sector in Kenya.
iii. To find out the influence of staffs' morale on project performance in the banking sector in Kenya.

1.6 Research Questions

i. What is the influence of costs on project performance in the banking sector in Kenya?
ii. What is the influence of productivity on project performance in the banking sector in Kenya?
iii. What is the influence of staffs' morale on project performance in the banking sector in Kenya?

1.7 Significance of the Study

The study sought to find out the influence of staff turnover on project performance in the banking sector. According to Armstrong (2003), staff turnover provides a valuable means of benchmarking the effectiveness of HR policies and practices in organizations.

The researcher aimed to contextualize the findings, information and new knowledge to improve project performance in the banking industry. The research will also assist future researchers who wish to extend studies concerning staff turnover within the banking industry. The researcher also

aimed at providing suggestions to the organization on how to remedy the problem at hand based on the feedback by the respondents. The research will give the researcher the opportunity to gain deep knowledge on the influence of staff turnover and its relation with performance of projects.

1.8 Scope of the Study

The study was limited in scope to Family bank headquarter in Nairobi registered with the Kenya Bankers Association. Data was collected for the period 2013-2019. The period span is key to establish trends that yield unbiased results that can be generalized to some larger population. The researcher assessed how turnover decisions influence the bank's performance in the areas of operations, productivity and ultimately profitability.

1.9 Delimitations of the Study

The study covered only Family bank headquarter in Nairobi, Kenya. The research population was composed of 80 staffs. The study aimed at looking at the influence of staff turnover only. The study also confined itself to interviewing and questioning each staff as one unit of measure as opposed to all the participants in the organization involved in the projects.

1.10 Limitations of the Study

Limitations are conditions beyond the control of the researcher that may place restrictions on the successful accomplishment of the study and their application to other situations.

The topic of research has not been scholarly undertaken in the banking industry hence the researcher lacked enough scholarly evidence. The researcher therefore used the available information to assist her in the study.

The researcher used questionnaires and interviews to get all questioned answered. However, the researcher may not get responses from all staffs due to time constraints and also some of the staffs may be out of office on other duties while the research is being conducted.

Some of the respondents were reluctant to give information because of fear of being victimized by the management of the organization while others chose to give false information deliberately to impress the researcher. The researcher assured the respondents of discretion on the information given to her by the respondents.

These limitations were encountered by the researcher informing the respondents of the significance of the study and assuring them that the information provided would be treated with utmost confidentiality and used only for research and academia purposes and never to any other person whatsoever.

1.11 Assumptions of the Study

The study assumed that the respondents would respond to the questionnaires honestly and truthfully.

1.12 Theoretical Review

A theoretical framework is defined as a reasoned set of prepositions, which are derived and supported by data or evidence and explains a phenomenon (Michael, 2009). The researcher focused on the motivational theories namely Abraham Maslow's hierarchy of needs theory, Herzberg's two-factor theory and Victor Vroom's expectancy theory.

1.12.1 Abraham Maslow's Hierarchy of Needs Theory

Abraham Maslow developed the hierarchy of needs theory that places staffs' needs into five progressive categories beginning with basic physical needs and progressing up to needs for personal growth and career development (Maslow, 1943). This theory emphasizes on the need of

organizations to consider the basic requirements of their staffs including health, job security and payment then later advance to the position of the staff in the organization. Maslow claimed that employers must meet each level of staffs' needs for staffs to truly commit themselves to workplace goals and increase the work performance.

Maslow enhanced that failure to meet staffs' needs at any level in the hierarchy can create lack of fulfillment in the staffs' professional lives, causing them to eventually try to fulfill these needs on their own, possibly by finding a new employer who provides better opportunities hence increasing turnover in your organization (Maslow, 1954). When staffs know that you care about their health and that their job is guaranteed, they will be committed to the company. The Maslow's Hierarchy of Needs clarifies the motivation components. Staff motivation is a critical element essential for performance and objectives accomplishment. An unmotivated staff that is not inspired won't bring the ideal output. Stain (2013) proposed that a motivated workforce can improve performance and customer satisfaction.

In line with this study, Maslow's hierarchy of needs theory implies that organizations need to understand the stages at which different employees are at and what motivates them in terms of management styles, work environment and reward management, in order to come up with programs or policies that satisfy unfulfilled and emerging needs since many lower level needs are felt time and again. High levels of performance occur when leaders establish motivational styles that inspire followers to achieve objectives. Using the hierarchy concept, managers are also responsible for creating an environmental climate where employees can develop their full potential. Inability to provide such an environment would leave many employees dissatisfied and frustrated, leading to poor performance and withdrawal from the organisation. Maslow's Hierachy of needs theory will therefore help the management of an organization to establish

what kind of reward packages appeal to employees at different levels to ensure they are paid competitively and in line with their motivation to avoid exit which will influence project performance.

1.12.2 Herzberg's Two-Factor Theory

Herzberg believed that the two dimensions of job satisfaction are dissatisfiers also called them hygiene issues and satisfiers, also called motivators. His theory was that staffs can be retained through minimizing dissatisfaction and maximizing satisfaction (John, 2005). Dissatisfiers include factors such as administration, company policy, working conditions, supervision, relationships and salary. Satisfiers include the job, promotion, achievement, responsibility and recognition.

According to John (2005), Herzberg's theory focused on two broad categories of factors, which determine staff retention rate. They include motivator and hygiene factors. The motivator factors lead to staff satisfaction whereas the hygiene elements cause dissatisfaction. According to Herzberg, staffs are motivated by recognition, achievement, work, growth, and advancement. On the other hand, they are dissatisfied by relationship with boss, supervision, salary, relationship with colleagues, work conditions and the company's policy.

Herzberg believes that if the hygiene factors such as salary, working conditions, work environment, safety and security are unsuitable (low level) at the workplace, this can make individuals unhappy and dissatisfied with their job. On the other hand motivation can increase job satisfaction which is based on an individual's need for personal growth. If these elements are effective, then they can motivate an individual to remain in the organization and achieve above-average performance and effort.

1.12.3 Vroom's Expectancy Theory

Victor Vroom's (1964) expectancy theory aims to explain how people choose from the available actions. Vroom defines motivation as a process that governs our choices among alternative forms of voluntary behavior. The basic rationale of this theory is that motivation stems from the belief that decisions will have their desired outcomes.

The expectancy theory puts forth the premise that staff 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 staffs to earn as much money as they desire, completely based on their job performance.

According to John (2005), Vroom believes that making sure that staffs always expect future pay raises and potential job promotions can keep them working hard to achieve personal goals. If staffs 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.

The expectancy theory places an emphasis on the process and on the content of motivation as well, and it integrates needs, equity and reinforcement theories.

The motivation to engage in an activity is determined by appraising three factors. These three factors are the following;

Expectancy: The person's belief that more effort will result in success. If you work harder it will result in better performance.

Instrumentality**:** The person's belief that there is a connection between activity and goal. If you perform well, you will get rewards.

Valence: the degree to which a person values the reward, the results of success.

The staff ought to have the conviction that the more his effort, the better his performance and the better the execution of his job, the higher will be the reward. The reward must captivate the individual or urge him to work for it i.e. there ought to be a positive co-relationship between a person's exertion in performing a job and an attractive result in which the person values. This theory is mostly based on job performance as staffs expect potential job promotions and pay raises which will keep them working hard so as to achieve personal goals. In this theory, there is a relationship between compensation and rate of performance of the staffs. Therefore, for an organization to reduce the staff turnover rate, the employer should increase the staff expectations which will also lead to above average rate of performance among the staff of the organization.

The above theories related to my study in that, the greater the job satisfaction the less likely is the turnover intention. Thus, a person with a high level of job satisfaction holds positive attitude toward the job and conversely the person who is dissatisfied with the job holds negative attitude about the job. It means that staffs who are satisfied on their job will retain their jobs and not quit so increase in job satisfaction results in decrease in employee turnover.

1.13 Conceptual Framework

The conceptual framework illustrates the relationship between the independent and dependent variables. This study presents a relationship between the independent variable which is the influence of staff turnover and the dependent variable which is the project performance in three primary independent variables that form the basis of the research.

First is cost which is narrowed down to production cost, recruitment cost and training cost. Secondly is productivity which is broken down to supervision, innovation and product development and technical expertise. Lastly, is staff morale which is broken down to conflict at

work place, staff absenteeism and job stress. The dependent variable is project performance which is measured in terms of scope, quality of delivery, budget and stakeholder interest.

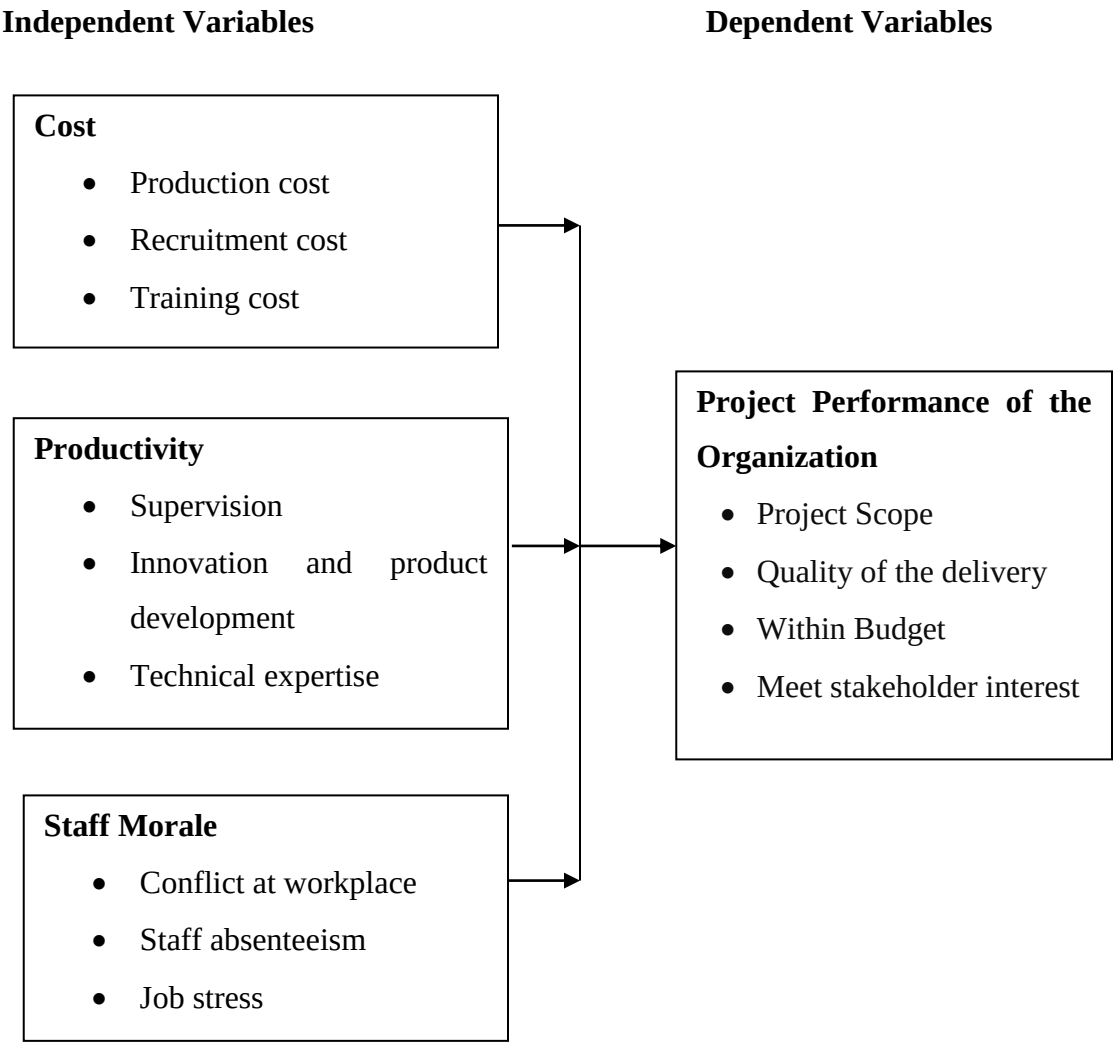


Figure 1.1 Conceptual Framework

(Researcher, 2019)

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focused on the works of previous scholars who have studied the influence of staff turnover in organizations. The chapter presents a theoretical and empirical review on the subject. The chapter's focus was on influence of staff turnover in the banking sector and its effect on project performance.

2.2 Review of the Literature

The researcher used variables like cost, productivity and staff morale to indicate how staff turnover influences project performance in the banking sector.

2.2.1 The influence of cost on project performance

Achieving optimal financial performance is one of the key performance goals in every organization, as indicated by Armstrong and Armstrong (2011). High staff turnover within organizations has been empirically found to have negative influence on the financial performance of organizations. Steers (2002) states that staff turnover is costly and disruptive. Costly, as it reduces the output and disruptive, as it requires that schedules and programmes to be modified. This is true because staff turnover causes the organization to lose a lot of money because they have to employ other agency staff to come and help. The agency staff is paid from the organization’s coffers and it becomes very expensive. A study by Woods and Macaulay (1989) revealed that for employers, the worst impact of turnover is lost profitability. Woods and Macaulay (1989) were two of the pioneers studying the correlation between turnover rate,

performance and profitability. In their study they highlighted the linkage and alerted hospitality employers to the harm associated with high employee turnover rates on the business profitability.

Mboya Deogratius (2009) research on investigation of the impact of labor turnover in Public organizations, in his case study research design, sampled 250 respondents in Ilala Municipal. He concluded that differences in payment of salaries and provision of fringe benefits forced those who are lowly paid to seek for greener pastures in other organizations, also lack of working facilities and equipment leads to turnover, for example, lack of teaching and learning facilities in school forced teachers to seek for alternative jobs. Mboya Deogratius (2009) recommended that work environment in all municipals sections should be improved and also improved management styles in all sections, training on better management practice should be done to management staffs.

Phillips and Gully (2013) argue that dysfunctional staff turnover can hurt organizational performance if top performers leave and replacement cost increases. For example, it has been estimated that on average, it costs an organization one-third of a new hire's annual salary to replace a staff (Scott & Byrd, 2012). This underscores the need raised by Boella and Goss (2013), for organizations to analyze the incidence and nature of staff turnover so that action may be taken to influence the turnover and its potential impacts on key result areas such as recruitment and training costs, on overall profitability and service quality levels.

Marsh and Mannari (2007) observed that costs that emanate from staff turnover are derived from a number of different sources, a few of which include: recruitment and replacements of staffs including administrative expenses, advertising, screening and interviewing, and services associated with selection, such as security checks, processing of references, and, possibly,

psychological testing; administrative hiring costs. According to Muhammad et al. (2013), replacing staffs can cost an organization three times more than the value that the staffs will contribute to the organization within a year. This is because new staffs need to be trained, as the outgoing staffs also need to be compensated based on the reason why the staff left the organization.

2.2.2 The influence of productivity on project performance

According to Voudouris, Owusu, Dorne and Lesaint (2008), the basics of good customer service, availability, accessibility and responsiveness, remain at the core of service delivery and these can be affected by staff turnover; and more so, when it relates to functional quality. The term functional quality is defined by Kandampully (2002) as a classification of service quality dimension that represents how the service is delivered and pertains to the interpersonal and relational part of the service process. Curtis (2012) argues that service quality in relationship marketing terms is as much managing the quality of the relationships as the management of the quality of service.

Munsaka (2014) defines productivity as the rate of production per unit of time. According to Muhammad et al. (2013), staffs who are experienced in producing a particular unit of output use less energy in producing the unit within a shorter period of time than non-experienced ones. According to Robbins (2003), staff turnover is costing South African organizations millions of rands in decreased efficiency. He further states that in the United States, staff turnover is estimated at $40 billion a year, in Canada $12 billion and in Germany DM 60 billion (Robbins, 2003). The cost of staff turnover and the impact thereof on productivity alone is enough to depress any human resource manager and the organization. This is because there might be a

delay of service delivery while waiting for the replacement staff to arrive. In addition, there might be production losses while assigning and employing replacement staff (Ziel&Antointette, 2003). Often the organization experiences a waste of time due to inexperienced replacement of staff. Management and other staff spend valuable time not doing their job but trying to orientate the replacement staff.

Vance (2009) measures staff productivity using factors like production, billable hours, ill rate, and degree of supervision, among others. Marsh and Mannari (2007) claimed that indirect costs of staff turnover are about 70-85% of hidden costs such as lost productivity and opportunity costs. Marsh and Mannari (2007) specifies that lost productivity includes those associated with the interim period before a replacement can be placed on the job; lost productivity due to the time required for a new worker to get up to speed on the job; lost productivity associated with the time that co-workers must spend away from their work to help a new worker; costs associated with the period prior to voluntary termination when workers tend to be less productive. A study conducted by Talent Management Alliance (2013) in manufacturing sector in Saudi Arabia revealed that staff with lower job tenure struggled with attaining production goals than their experienced counterparts. As such, it can be argued that high staff turnover impacts negatively on productivity within the organization.

According to Marsh and Mannari (2007), a departing staff may cause additional indirect expenditures or losses to the company, such as monetary compensation to outside substitute staffs, in order to compensate temporarily for the performance downfall and the financial value of the loss of production and/or customers to competitors due to failure to deliver products or services on schedule which can be directly attributed to dysfunctional turnover losing good

performers. This loss will continue until a replacement is found and becomes productive at the level of his or her predecessor.

Research done by Milanzi (2008) on Assessment of the causes and effects of labor turnover on banking industry, the case study design sampled 82 respondents to represent a population of Tanzania Investment Bank staff, she found out that the turnover was mainly caused by low remuneration packages, unequal treatment among TIB staffs and lack of communication between the management and staff of other department.

Milanzi (2008) recommended that promotion and salary increments should be clear and open to every staff. Staffs should be encouraged to read and understand human resources policy. Also all members of staff need to have information about organization production, its customers, its performance compared to the competitors, the strategy to win the market and their benefits.

2.2.3 The influence of staff morale on project performance

Staff morale points to the health of internal relationship which is as important as external relationships (Osarenkhoe, 2007). It is therefore ultimate that the success or failure of service delivery is due to the efforts of the organization's staffs (Pride & Ferrell, 2014). Internal responsiveness capability of the security firm has a direct impact on the responsiveness of the customers. Therefore, for effective service delivery, relationships must be good not only between the front-line staff and the customer, but also with all the internal stakeholders in the organization supporting the front-line staff (Curtis, 2012). To that end, Berndt (2004) suggests that it is essential that staffs be motivated and satisfied.

Boxall et al (2003) New Zealand study found out that the main reason for people leaving their employer was for more interesting work elsewhere. It is generally accepted that the effect of job satisfaction on turnover is less than that of organizational commitment.

A 2002 study by Kirshenbaum and Weisberg of 477 employees in 15 firms examined employees' job destination choices as part of turnover process. One of their main findings was that coworkers' intentions have a major significant impact on all destination options. The more positive the perception of their coworkers desire to leave, the more employees themselves wanted to leave. Kirshenbaum and Weisberg therefore suggest that a feeling about co-workers intention to change jobs or workplace acts as a form of social pressure or justification on the employee to make a move.

In a study done on the turnover impact on health care organizations, Waldman, Kelly, Arora, and Smith (2004) found that a constantly high turnover rate de-motivated the remaining employees by imposing repetitive training obligation to them. This was found to be the case in the hospitality industry in the U.S. as early as 1989 (Woods & Macaulay, 1989)

Staff turnover can also have a negative impact on other staffs by disrupting group socialization processes and increasing internal conflict, which can lead to triggering additional absenteeism (Neo, Hollenbeck, Gerhart & Wright, 2006). In addition, the interpersonal bond that is developed between staffs is central to the communication patterns that are characteristic and unique to any organization. People grow professionally and personally, and good employers are able to accommodate these changes in the circumstance. A highly satisfied workforce is far more capable of meeting organizational goals and customer needs than an apathetic and uninspired one (Swanepoel, Erusmus, Van Wyk& Schenk, 2003). Tyani (2001) states that cost is not only

financial but must also be measured by the damage to staff morale and deficits in meeting community demand.

Changes occurring due to staff turnover may require that staffs work extra hours to mitigate temporary production shortfall and this affects their work-life balance (Armstrong, 2009). Nel (2009) defined work-life balance as a state in which staff can maintain a happy and healthy personal life while being successful at work, which gives them a sense of personal fulfillment. Feld and Cohen (2010) argued that work-life balance manifest in the congruence of different roles each of us choose to perform in our lives, blending in with our work role in a way which energizes us to do and be all that we want. It shows that work-life balance is achieved when there is harmony between five aspects of life namely: our work, our personal lives, our family, our friends and the community in which we live.

2.2.4 The influence of Project Performance on project

Mbogo (2016) found that a well performing project is one that achieves deliverables that are prior agreed upon to satisfy the project customer. Krzysztof, Potkańsk, and Stanisław, (2011) discovered that project management is key in planning how a project should be done just at the very point of planning. Nyonje, Ndunge and Mulwa (2012) found that in study of qualities of projects that are deemed to have perfomed well, is when all the stakeholders interest are met(Tonea, 2013).

Pillai, Joshi and Rao (2002) found that two models developed to measure project performance are the Integrated Performance Index and Key Performance Indicators. The Integrated Performance Index was developed by Pillai et al. (2002) to measure the performance of R&D projects, while Key Performance Indicators (KPIs) are the UK construction industry's measure

project performance based on ten identified parameters. These parameters consist of seven project performance indicators (construction cost, construction time, cost predictability (design and construction), time predictability (design and construction), defects, client satisfaction with the product and client satisfaction with the service) and three company performance indicators (safety, profitability and productivity)(Nguyen & Watanabe, 2017). The use of such indicators to evaluate project performance is very common. Many industries employ industry-specific KPI systems to measure process performance that is critical to the success of a project. Mir and Pinnington (2014) indicated that notwithstanding their popularity, KPIs seem to be more appropriate for assessing performance at the project level. As a result, in this study, the KPIs were adapted with the need to consider the accessibility of data collection because of the multifaceted project's outcome (Carvalho, Patah, & Bido, 2015)]. This method of determining performance indicators was considered a reasonable approach to assess the performance quality and success of a project (Sage, Dainty, & Brookes, 2014).

2.3 Summary of the Reviewed Literature

The literature presented the motivational theories such as Maslow's hierarchy of needs, Herzberg and Vroom's expectancy theory to support the topic of influence of staff turnover on projects performance.

The situation of turnover can turn to be a vicious cycle. As discussed from the three theories, motivation issue leads to turnover, and the turnover may reduce motivation of remaining employees (Kim &Jogaratnam, 2010). Waldman et al (2004) stated that constantly high turnover rate leads to repetitive training obligation of remaining employees. Experienced colleagues are responsible to train new comers. When the turnover rate remains high, there are always new

comers. This situation certainly escalates the usual workload of remaining employees. In addition, they have less time to perform their own tasks. Given that their focus was partly shifted to conduct training, they may perceive limited opportunity to actualize their value in their job and hence de-motivated.

2.4 Knowledge Gap

The researchers have tried to find out the reasons for staff turnover in which their conclusion was based on the job satisfaction. However, they did not indicate the influence of staff turnover in the banking sector and specifically at Family Bank limited in Kenya. This therefore created a knowledge gap on the link between these variables with a specific reference to Family Bank Limited in Kenya. The findings obtained will influence how Family Bank manages staff turnover and in turn will be able to realize the benefits in terms of improved project performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter addressed the following areas; research design, research site and rationale, target population, sampling procedure, sample size, data collection procedure, research instrument, data analysis techniques and presentation and ethical consideration.

3.2 Research Design

According to Cooper and Schindler (2006), research design is a detailed plan which guides a research study towards its objectives so conceived to obtain answers to the research questions. This study used descriptive design which is the method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). It can further be used when collecting information about people's attitudes, opinions, habits or any variety of education. In the views of Houser (2011), the research design provides in-depth information about the characteristics of subjects within a particular field of study. Houser further argues that descriptive studies can also help identify relationships between variables. This research design was adopted because of its power to determine the relationship between study variables. In this study, the descriptive design assisted the researcher determine the relationship between independent variable as staff turnover and the dependent variable as project performance.

3.3 Research Site and Rationale

The research site for the study was Family Bank head quarter in Nairobi. This is because it helped provide the necessary required information for the study on influence of staff turnover on project performance in the banking sector. The rationale for choosing Family bank as a case

study is that the bank is a Tier II bank and it has faced a serious problem of staff turnover in both managerial and clerical positions.

3.4 Target Population

According to Saunders, Lewis and Thornhill (2003), a population is the full group of potential participants to whom the researcher wants to conduct the research for the study. In this study, the population was comprised of 80 staff of Family Bank (Records from human resource, Family Bank headquarter in Nairobi).

3.5 Study Sample

The researcher used sampling procedures and sample size to determine the study sample.

3.5.1 Sampling Procedure

Sampling refer to a procedure by which a relatively modest number of people, objects or events is chosen and analyzed in order to discover something about the whole population from which it is chosen, (McDaniel & Gates 2004). According to David (2005) and Mercado (2006), sampling essentially involves a system of selecting a population representation from the general population depending on the objective of the study, availability of money, time and effort in gathering research data. Mugenda and Mugenda (2003) stated that a 10% of the population is considered a good sample to effectively represent the entire population even if the findings were generalized provided that the sample is evenly distributed and homologous in nature.

In order to reach the desired number of respondents, the researcher used simple random sampling. This is because Simple random sampling enabled the researcher to choose the respondents based on the fact that they had desirable characteristics and variables related to the issue that was being studied.

3.5.2 Study Sample Size

An analysis was conducted among the staffs of Family bank. The respondents were both male and female staffs of Family bank. The sample was obtained from the formula from (Nassiuma, 2000).

$$n = \frac{\mathrm{N}}{1 + \mathrm{N(e)2}}$$

Where:

n- sample size

N-population size which is 80 staffs

C- Confidence level will be 95%

e– Error margin which is 5%

The sample size was 67 respondents.

Table 3. 1 Sample size

Category	**Population**	**Sample Size**
Finance	10	8 $(\frac{10}{80} \times 67)$
Human Resource	5	4
Treasury	9	8
Credit Administration	11	9
Personal Banking	15	13
Corporate Banking	10	8
Service Delivery	20	17
Total	**80**	**67**

Source: Family Bank

3.6 Data Collection

The researcher used data collection instruments to gather information which were analyzed to get the desired results.

3.6.1 Data Collection Instruments

The data was collected by the use of questionnaires. This was accomplished by approaching staffs within sampled bank branches, explaining the objective of the research and handing them the questionnaire to fill. Glaser and Strauss (2009) explain that questionnaires are an important instrument for research as a tool for data collection. The use of questionnaires was justified to the extent that questionnaires are an effective way of collecting information from a large literate sample in a short span of time and at a reduced cost than other methods.

3.6.2 Pilot Testing of Research Instruments

According to Connelly (2008), a pilot study sample should be 10% of the sample. In our research, the researcher administered 7 questionnaires to the staff at Family bank Kasarani branch prior to the main study. This allowed the researcher sufficient time to seek clarification for suggestion and necessary corrections from the respondents.

3.6.3 Reliability of Research Instruments

According to Mugenda and Mugenda (2003), reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials. The researcher conducted the pre testing to ensure the questionnaire's reliability and to make sure that measures were free from error and therefore yielded consistent result. The researcher also used the Cronbach's alpha to test the reliability of the questionnaire. The Cronbach's Alpha helped the researcher find out how well the item in a set positively correlate to one The Cronbach's alpha reliability coefficient

ranges between 0 and 1. The closer the Cronbach's alpha coefficient is to 1.0, the greater the consistency and reliability. According to Sekaran (2007), reliability less than 0.60 are poor, those in the 0.07 range are acceptable and those over 0.80 are good. As a rule of thumb, Sekaran (2007) interpreted Cronbach's Alpha as follows:

$a > 0.9 - excellent$

$a > 0.8 - good$

$a > 0.7 - acceptable$

$a > 0.6 - questionable$

$a > 0.5 - poor$

$a < 0.4 - unacceptable$

3.6.4 Validity of Findings

According to Joubert and Ehrlich (2007), validity denotes the degree to which a measurement instrument actually measures what it is intended to measure. . The validity of a measure is not absolute; rather, it is relative to the situation in which the selection device is being used. Face validity though done through proof reading of the questionnaires by Family Bank staff and strong references drawn through Meta-analysis on previous research and related theory on the variables. Expert's opinions was included on the content of questionnaires guide. Operationalization was done to eliminate threats to construct validity. Evaluator apprehension to eliminate fear from the respondents was performed.

3.6.5 Data Collection Procedure

The study used questionnaires to gather data because according to Mugenda&Mugenda (2003), questionnaires are the most favored on the ground because they are easy to administer and they

are time saving. The questionnaires were formulated according to the research objectives. The questionnaire contained both closed ended and open ended questions. The researcher employed drop and pick method of collecting the questionnaires to allow the respondents adequate time to sufficiently answer the questionnaires in a free environment.

3.7 Data Analysis and Presentation

According to McDaniel and Gates (2004), the objective of data analysis is to translate and make inferences huge amount of collected data. For order, interpretation and drawing conclusion to facilitate decision making, data was exported to SPSS for coding, editing to facilitate computation of inferential statistics to develop generalization from sampled population. Measures of central tendencies (mean), measures of distribution (percentages) and means of variation (standard deviation) were used to analyze indicators of the variables. Due to the non-numerical nature of qualitative data, thematic analysis was used to identify common themes in the responses for the open-ended questions (Jha, 2014). Qualitative data was organized into themes that are in line with the research objectives. Qualitative and quantitative analysis were combined to enable a rich description of the findings. Data was presented in bar graphs, pie charts, frequency distribution, and percentages.

3.10 Ethical Considerations

According to Mugenda and Mugenda (2003), researchers must be concerned about other peoples' quality of life. They must, therefore, be people of integrity who would not take research for self-gain or research that have negative effect on others. The researcher explained the purpose of the study to the respondents and information given by the respondents treated as confidential with non-disclosure of respondents' identities. The researcher gave ample time to clarify the purpose of the research to the participants. Research permit was acquired and consent

from all the participants obtained while keeping the objectives as the greatest consideration throughout the research period.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

The chapter addressed the analysis of the data that was collected from the questionnaire. In addition, the analyses involved the research objectives and basic information of the respondents. The chapter begins with the identification of the response rate, analysis of the general information, the descriptive analysis and determining the relationships on the variables.

4.2 Response Rate

The researcher distributed a total of 67 questionnaires which were administered to the Finance, human resource, treasury, credit administration, personal banking, corporate banking and service delivery. The researcher could not obtain 100% of the questionnaires because 4 were not filled because the respondents went on leave leaving the questionnaire an unanswered while two were ineligible hence could not be included analyzing the data. Also, the willingness of the respondents to participate in the study ensured high response rate. The response was determined and represented in the table 4.1.

Table 4. 1 Response Rate

	Frequency	**Percentages**
Returned	61	91.04
Not returned	6	8.96
Total	**67**	**100**

Source: Primary Data

Table 4.1 indicates that those questionnaires that were duly filled and received for analysis accounted for 91.04%. According to Mugenda and Mugenda (2012), a response rate of 50% is considered adequate , 60% is good and 70% and above is excellent for a study. Thus, a response rate of 91.04 % was fit and reliable indicating that the analysis could be done using the above questionnaires.

4.3 Reliability Statistics

The Cronbach's alpha coefficient, alpha coefficient was determined from the constructs of the questionnaires. The results were indicated in table 4.2

Table 4. 2 Reliability Statistics

Cronbach's Alpha	N of Items
.854	21

Source: The Researcher

Table 4.2 indicates that a Cronbach 's Alpha coefficient, alpha coefficient was 0.854 that indicates it was good for further statistical manipulations

4.4 Demographic Characteristics

The general information for the study involved the analysis of gender, the position held by the respondents in the organization, number of years the respondents had worked for the organization and the level of education. The analyses were presented in section that follows.

4.4.1 Gender of the Respondents

The study sought to determine whether there was significance of gender on the influence of technological innovations on projects performance. The results were presented on the table 4.2.

Table 4. 3 Respondents Gender

Category	Frequency	Percentage
Female	40	65.57
Male	21	34.43
Total	**61**	**100**

Source: Primary Data

Table 4.3 showed that 65.57% of the respondents were female and 34.43% were male. This implied that more female staff than male staff at Family bank responded to the research. It can be attributed to the fact that, there are more female employee at study site than males.

4.4.2 Academic Qualification

The researcher sought to find out the academic background of some of respondents, the project manager, project members and office members. The results indicate that all the respondents had cleared their secondary school and were in college. This verifies that the respondents were able to read and respond to the data collection tool.

Table 4. 4 Respondents' academic qualification

Category	Frequency	Percentage
PHD	1	1.64
Masters	16	26.23
Undergraduate	29	47.54
Diploma	15	24.59
Total	**61**	**100**

Source: Primary Data

4.4.3 Position Held in the Organization

The study sought to determine whether there was significance of position held in the organization on the influence of staff turnover on projects performance. The position held was categorized into project manager, project member and office member. The results were presented on the table 4.4 below.

Table 4. 5 Position Held

Category	Population	Percentage
Project Manager	7	11.48
Project Member	29	47.54
Office Member	25	40.98
Total	**61**	**100**

Source: Primary Data

4.4.4 Working Duration at Family Bank

The respondents were requested to indicate the number of years they have served at Family Bank. Their responses is as indicated that 5% have been in the Family bank for duration of above ten years, 33% a duration of between 5& 10 years, 46% 1 & 5 years while below one year was 16%.

Table 4. 6 Duration worked

Category	Frequency	Percentage

Above 10years	3	4.92
5-10 years	20	32.79
1-5 years	28	45.90
Below 1 year	10	16.39
Total	**61**	**100**

Source: Primary Data

4.4.5 Turnover rate in past 5years

This aimed at establishing the influence of staff turnover and hence the study sought to find the rate of staff turnover at family bank. The result findings as shown below clearly indicated the rate of staff turnover was very high 81% while 19% said it was medium while none indicated that the rate was low.

Table 4.7 Rate of turnover

Category	Population	Percentage
High	26	81.25
Medium	6	18.75
Low	0	0
Total	**32**	**100**

Source: Primary Data

The researcher aim of collecting demographic data was to ensure fair representation of males and females in the study and to ensure even distribution of staff per department in the study.

4.4.6 Factors influence on turnover

The respondents were asked how factors such as salaries and benefits, job security, working environment and promotion, recognition and growth would influence staff turnover at the scale of 1. A very great extent 2. Great extent 3. Moderate extent 4. Low extent. The result finding showed that 62.30% mentioned that the factors influenced staff turnover to a very great extent while 32.79 said that the factors influenced staff turnover to a great extent, 4.92% said that the factors influenced staff turnover to a moderate extent and no individual said that the factors influenced staff turnover to low extent

Table 4. 8 Influence of factors

Extent	Frequency	Percentage
Low extent	0	0.00
Moderate extent	3	4.92
Great Extent	20	32.79
A very great extent	38	62.30
Total	**58**	**100**

4.4.7 Career Change

The respondents were asked if they would consider career change or move. The result of the finding shows that a considerable number would like to change career i.e. (37) 60.66% while (24) 39.34% said they would not consider changing career or moving to another institution. The results clearly show that there would be high staff turnover if the respondent got an opportunity to fulfill their desire to move.

Table 4. 9 Consider career change

Category	Population	Percentage
Yes	37	60.66
No	24	39.34
Total	**61**	**100**

Source: Primary Data

4.5 Influence of Costs on Project Performance

Second part of the questionnaire contained information the researcher wanted to find out regarding influence of staff turnover to costs on project performance.

4.5.1 Influence to general financial position.

The study requested the respondents to give their opinion on whether staff turnover influenced the general financial position of their organization. The figure below shows that the majority of respondents 70% believed that general financial position of family bank was influenced by high rate of staff turnover while 30% which is the minority of the respondents believed that the general financial position financial position of family bank was not influenced by high rate of staff turnover as shown in table 4.10

Table 4. 10 Influence to general financial position

Category	Percentage
Yes	70
No	30
Total	**100**

Source: Primary Data

4.5.2 Influence of Costs on Project Performance

The respondents were request to indicate the level of their agreement to statements provided in Likert scale of 1-5 where 1 = to strongly disagree to 5 strongly agree. The findings are shown in table 4.11 below

Table 4. 11 Influence of Costs on Project Performance

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	STD DEV
Staff turnover has negative impact on the financial performance in this organization	31(50.8)	30(49.2)	0	0	0	4.49	0.50
Staff turnover leads to more use of money and resources to train new staff members	12(19.7)	44(72.1)	5(8.2)	0	0	4.11	0.51
Turnover increase costs per unit in your department	14(23)	44972.1)	3(4.9)	0	0	4.18	0.50
Staff turnover influence the general financial position of your organization	23(37.7)	38(62.3)	0	0	0	4.37	0.48

Source: Research data

The majority of the respondents i.e. 31 (50.8%) strongly agreed to the statement that staff turnover had negative impact on financial performance in this organization and 30 (49.2%) agreed on the same statement. The statement had a mean of 4.49 and std. dev. of 0.50 implying that, staff turnover had a negative impact on financial performance in family bank. The findings of this study are in agreement with Armstrong and Armstrong (2011) who stated that high staff turnover within organizations have negative influence on the financial performance of organizations and Steers (2002) who added that staff turnover is costly and disruptive

On the statement that staff turnover leads to more use of money and resources to train new staff members, 12 (19.7%) strongly agreed with the statement and 44 (%) agreed while 5 (8.2%) were neutral to the statement. Descriptively, the statement had a mean of 4.49 and std. dev. of 0.50 implying that more money and resources were spent in training new staff members in family bank. The findings of this study concurs with Muhammad et al. (2013), who found that, replacing staffs can cost an organization three times more than the value that the staffs will contribute to the organization within a year. This is because new staffs need to be trained, as the outgoing staffs also need to be compensated based on the reason why the staff left the organization. This is true because staff turnover causes the organization to lose a lot of money because they have to employ other agency staff to come and help further digging into the organization's coffers to pay them which is generally very expensive.

The respondents were asked to agree or disagree with the statement that staff turnover increase costs per unit in your department. 44 (72.1%) of the study respondents agreed that staff turnover increased per unit costs in departments and 14 (23%) and strongly agreed while 3 (4.9%) were neutral that staff turnover increased departmental costs. Descriptively, the statement had a mean of 4.18 and std. dev. of 0.50 implying that staff turnover increased departmental costs per unit in family bank. Such costs per unit were revealed by Marsh and Mannari (2007) who observed that costs that emanate from staff turnover are derived from a number of different sources, a few of which include: recruitment and replacements of staffs including administrative expenses, advertising, screening and interviewing, and services associated with selection, such as security checks, processing of references, and, possibly, psychological testing; administrative hiring costs.

The fourth statement was to find out the influence of costs on project performance asked the respondents to agree or disagree on “staff turnover influence the general financial position of your organization”. The majority of the study respondents i.e. 38 (62.3%) agreed with that statement and 23 (37.7%) strongly agreed that staff turnover influenced general financial position of family bank. The statement had a mean of 4.37 and std. dev. of 0.48 implying that staff turnover influence the general financial position of family bank. Optimal financial performance is one of the key performance goals in every organization and the finding of this study revealed that staff turnover affects the general financial performance.

The study findings concurs with Phillips and Gully (2013) added to it by stating that high staff turnover can hurt organizational financial performance by increasing staff replacement costs especially if top performers leave. Philip (2008) also stated that staff turnover involves allocation of tasks to less skilled and inexperienced employees who may not have the technical know-how on how to execute the required services, leading to the realization of lower customer satisfaction. This has ripple effects on decline in sales revenue and hence further loss in organizational efficiency by affecting internal business processes.

4.6 Influence of Productivity on Project Performance.

On the third section the researcher wanted to find out the influence of staff turnover to productivity on project performance. First question contained six statements that required the respondents to indicate the level of agreement to question on Likert scale 5) Strongly Agree 4) Agree 3) Neutral, 2) Disagree and 1) Strongly Disagree. The other two questions focused on the influence of turnover on time and quality of service rendered.

4.6.1 Influence of Productivity on Project Performance

The respondents were asked rate the turnover influence of productivity on project performance. The result findings are shown in the table below.

Table 4. 12 Influence of Productivity on Project Performance

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	STD DEV
Staff turnover influences staffs meeting their deadlines and targets	7 (11.5)	47 (77)	7 (11.5)	0	0	4	0.48
Staff turnover has negative impact on innovation and continuity in this organization	14 (23)	45 (73.7)	2 (3.3)	0	0	4.19	0.47
Staff turnover reduces efficiency in your department	9 (14.8)	49 (80.3)	3 (4.9)	0	0	4.09	0.43
Staff turnover leads to wastage of resources in this organization	12 (19.7)	43 (70.5)	6 (9.8)	0	0	4.09	0.53
The organization meets the customer needs during the high staff turnover period	0	7 (11.5)	14 (23)	40 (65.6)	0	2.45	0.7

Source: Primary data

The researcher asked the respondents whether staff turnover influenced staffs meeting their deadlines and targets. The majority of the respondents i.e. 47 (77%) agreed on the statement that staff turnover indeed influenced staff meeting their deadlines and targets, while 7 (11.5%) strongly agreed and equated together to those who were neutral still at 11.5%. the statement had a mean of 4.0 and std. dev. of 0.48. This was in agreement with Ziel & Antointette, (2003) who stated that, often the organization experiences a waste of time due to inexperienced replacement of staff. Management and other staff spend valuable time not doing their job but trying to

orientate the replacement staff. Marsh and Mannari (2007) added that indirect costs of staff turnover are about 70-85% of hidden costs such as lost productivity and opportunity costs. One respondents wrote "*when a staff leaves a vacuum is created and it's like a broken conveyer belt that halts production line*".

The second statement sought to find out if staff turnover had negative impact on innovation and continuity in Family Bank. The respondents who agreed to the statement that staff turnover had a negative impact on innovation and continuity were 45 (73.7%), 14 (23%) strongly agreed while 2 (3.3%) were neutral. The statement had a mean of 4.19 and std. dev. of 0.47 denoting that, staff turnover have negative impact on innovation and continuity of an organization. This findings are in agreement with Talent Management Alliance (2013) whose study findings in manufacturing sector in Saudi Arabia revealed that staff with lower job tenure struggled with attaining production goals than their experienced counterparts. As such, it can be argued that high staff turnover impacts negatively on continuity within the organization. One study respondent commented that "*it's usually a huge blow when tech gurus leave*", meaning that a person who was conversant with the system

The research further sought to find out whether staff turnover reduced efficiency in various departments. Majority of the respondents i.e. 49 (80.3%) agreed to the statement that, Staff turnover reduces efficiency in your department and 9 (14.8%) strongly agreed while 3 (4.9%) were neutral. That statement had a mean of 4.09 and std. dev. of 0.43 implying that Staff turnover reduced efficiency in departments.

Further 43 (70.5%) of the respondents agreed to the statement that staff turnover leads to wastage of resources in your organization, 12 (19.7%) strongly agreed to the statement and 6 (9.8%) were neutral. The statement that staff turnover leads to wastage of resources in your organization had a

mean of 4.09 and std. dev. of 0.43 implying that staff turnover actually led to wastage of resources at family bank. Marsh and Mannari (2007), stated that departing staff may cause additional indirect expenditures or losses to the company, such as monetary compensation to outside substitute staffs, in order to compensate temporarily for the performance downfall and the financial value of the loss of production and/or customers to competitors due to failure to deliver products or services on schedule which can be directly attributed to dysfunctional turnover losing good performers. This statement is in agreement with findings of this study.

Further, 40 (65.6%) of the respondents disagreed on the statement that, the organization meets the customer needs during the high staff turnover period while 14 (23%) were neutral and 7(11.5%) agreed that customers' needs were met in spite of high staff turnover. The statement had a mean of 2.5 and std. dev. of 0.70 implying that the customer needs were partially met during the high staff turnover period. Aden and Gichiga (2016) found out that, customer satisfaction, quality service delivery, good customer care relationship management had positive and significant effect on productivity and organizational performance. The study findings revealed that, service points were always covered even if front-line staff left so as to ensure seamless flow of services to customers. Internal responsiveness capability of the organizations has a direct impact on the responsiveness of the customers. Therefore, as (Curtis, 2012) argued to ensure effective service delivery, relationships must be good not only between the front-line staff and the customer, but also with all the internal stakeholders in the organization supporting the front-line staff. This was found to be implemented by family banks which ensured frontline desks were always operational in spite of staff turnover.

4.6.2 Quality of service during staff turnover period

The respondents were asked whether the level of service quality was high or low during the high staff turnover period. The findings are as shown in the table below

Table 4. 13 Quality of Service

Category	Population	Percentage
High	54	89
Low	7	12
Total	**61**	**100**

Source: Primary Data

The majority responded that the quality of service was high during staff turnover period i.e. 54 (89%) while 7 (12%) were of the opinion that the level of quality was low during the staff turnover period. Therefore, the study revealed that, the quality of service was not affected by staff turnover as indicated by the majority of the respondents. This was contrary to Philip (2008) also stated that staff turnover involves allocation of tasks to less skilled and inexperienced employees who may not have the technical know-how on how to execute the required services, leading to the realization of lower customer satisfaction. Quality of service was not affected mainly because those replaced to stand-in or as permanent replacement were skilled and had prior training and experience for the tasks assigned and in some instances agency staff were hired.

4.6.3 Time spent by new staffs

The respondents were requested to give their opinion on whether new staff members spent too much time while doing little. The study findings are as shown in the table below

Table 4. 14 New staff spend too much time

Category	Population	Percentage
No	49	80.33
Yes	12	19.67
Total	**61**	**100**

Source: Primary Data

49 (80.33%) of the respondents disagreed to the statement that new staff members spent too much time while doing little while 12 (19.67%) respondents agreed to the statement that newly employed staff spent too much time while doing little. Marsh and Mannari (2007) specified that lost productivity includes those associated with the interim period before a replacement can be placed on the job; lost productivity due to the time required for a new worker to get up to speed on the job; lost productivity associated with the time that co-workers must spend away from their work to help a new worker; costs associated with the period prior to voluntary termination when workers tend to be less productive. Productivity on project performance entails output in term of quality and quantity, hours spent at work, relationships at workplace, and production per unit in regard to time. Contrary to this Yang (2018) conducted a study on individual performance he concluded that individuals' output cannot be substantiated. The finding of this study revealed that newly employed staff spent less time in catching up with working standard at family bank. One of the study respondent stated that, Staff employed in banking sector are trained and experienced and only requires induction and hence requires less time in catching up and minimal supervision.

4.7 Influence of Staff Morale on Project Performance

Rate whether you agree that staff morale influence project performance? Base your answer on a five point Likert scale: 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1). Strongly Disagree. The findings of the study are as shown in table 4.15 below

Table 4. 15 Influence of Staff Morale on Project Performance

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	STD DEV
Staff turnover disrupts teamwork in this organization	27(44.3)	34(55.7)	0	0	0	4.44	0.50
Staff turnover increase the workload of every remaining staff in your department	0	52(85.2)	6(9.8)	3(4.9)	0	3.80	0.51
Staff turnover increases work stress to the remaining staff in your department	8(13.1)	47(77)	6(9.8)	0	0	4.03	0.48
Staff turnover leads to long working hours every time some staffs leave the organization	3(4.9)	51(88.6)	4(6.6)	3(4.9)	0	3.88	0.55
The newly employed staff catch up with the working standards fast	0	31(50.8)	30(49.2)	0	0	3.51	0.50

Source: Primary data

The study generated five statement to seek the influence of staff morale on project performance. The first statement asked the respondents if staff turnover disrupts teamwork in this organization. 34 (55.7%) of the study respondents agreed with the statement and 27 (44.3%) strongly agreed that staff turnover disrupted teamwork. The statement had a mean of 4.44 and std. dev. of 0.50 implying that, staff turnover disrupted teamwork in family bank. The study findings are in agreement with Neo, Hollenbeck, Gerhart & Wright, (2006) who stated that staff turnover have a

negative impact on other staffs by disrupting group socialization processes and increasing internal conflict, which can lead to triggering additional absenteeism. In addition, the interpersonal bond that is developed between staffs is central to the communication patterns that are characteristic and unique to any organization. The situation worsens is a team leader and deputy happens to leave the organization at the same period.

The study further asked the respondents to agree or disagree on whether staff turnover increased the workload of every remaining staff in respective departments. The majority of the study respondents i.e. 52 (85.2%) agreed to the statement that, staff turnover increase the workload of every remaining staff in your department 6 (9.8%) strongly agreed while 2 (4.9%) were neutral. Descriptively, the statement had a mean of 3.80 and std. dev. of 0.51 implying that staff turnover increased the workload of every remaining staff in respective departments. The findings of this study concurs with Marsh and Mannari (2007) who singled out that lost productivity due to the time required for a new worker to get up to speed on the job and the lost productivity associated with the time that co-workers must spend away from their work to help a new worker directly increasing the workload.

The study asked the respondents whether staff turnover increased work stress to the remaining staff in departments, the results revealed that 47 (77%) agreed; 8 (13.1%) strongly agreed and 6 (9.8%) were neutral. The statement had a mean of 3.88 and std. dev. of 0.55 implying that, staff turnover increased work stress to the remaining staff in respective departments. Highly satisfied workforce is far more capable of meeting organizational goals and customer needs than an apathetic and uninspired one. Therefore there is urgency to formulate policies to minimize high staff turnover. Therefore it is the duty of the management to motivate the remaining employees

because poorly motivated and disgruntled workforce have lower productivity output which directly translate to poor organizational financial performance.

The study further asked the respondents whether staff turnover led to long working hours every time some staffs left the organization; the results revealed that, 51 (83.6%) agreed, 4 (6.6%) were neutral, 3 (4.9%) strongly agreed and 3 (4.9%) disagreed. Descriptively, the statement had a mean of 4.03 and std. dev. of 0.48 implying that staff turnover led to long working hours every time some staffs left the organization. The findings concurs with Armstrong, (2009) who observed that changes occurring due to staff turnover may require that staffs work extra hours to mitigate temporary production shortfall and this affects their work-life balance.

On the last item on influence of staff morale to project performance, the study respondents i.e. 31 (50.8%) agreed with the statement that newly employed staff were fast in catching up with the working standards while 30 (49.2%) were neutral. Descriptively, the statement had a mean of 3.51 and std. dev. of 0.50 implying that the newly employed staff catch up with the working standards fast. The finding of this study revealed that newly employed staff spent less time in catching up with working standard at family bank. As one of the study respondent stated that, staff employed in the banking sector are trained and experienced and only requires induction and hence requires less time in catching up and minimal supervision.

4.8 Project Performance

Rate whether you agree that technological innovations influence project performance? Base your answer on a five-point Likert scale: 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1). Strongly Disagree. The result of the study findings are as show in table 4.13 below.

Table 4. 16 Project Performance

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	STD DEV
Well performing project is one that stays within the scope	39(63.9)	22(36.1)	0	0	0	4.64	0.48
A project that delivers what was prior agreed upon to satisfy the project customer is considered as a performing project.	50(82)	11(19)	0	0	0	4.82	0.38
Quality of the deliverables from the organizations projects is a key determinate of the projects performance which technological innovations supports	36(59)	25(41)	0	0	0	4.59	0.49
The organization aims to have projects stay within budgets and technological innovations supports this	32(52.5)	29(47.5)	0	0	0	4.52	0.5

Source: Primary data

The study developed four statement to find out whether technological innovations influenced project performance. The first statement asked the respondents to agree or disagree on whether well performing project is one that stays within the scope. 39 (63.9%) of the respondents strongly agreed with the statement that Well performing project is one that stays within the scope and 22 (36.1%) agreed with that statement. The statement had a mean of 4.64 and std. dev. of 0.48 this implying that, for a project to be considered to be well performing it should stays within the scope. Krzysztof, Potkański, and Stanisław, (2011) discovered that project management is key in planning how a project should be done just at the very point of planning that it achieves intended targets.

In the second statement, the study further revealed that 50 (82%) and 11 (18%) of the study respondents strongly agreed and agreed respectively to the statement that a well performing projects delivered what was prior agreed upon to satisfy its customers. The statement had a mean of 4.82 and std. dev. of 0.38 denoting that for a project to be said to be well performing it should deliver what was prior agreed upon to satisfy its customers. This is in agreement with Mbogo (2016) who found that, a well performing project is one that achieves deliverables that are prior agreed upon to satisfy the project customer. Therefore more efforts need to be employed to ensure customers get what was agreed upon and in time.

The third statement asked the study respondents to agree or disagree on the statement "Quality of the deliverables from the organizations projects is a key determinate of the projects performance which technological innovations supports", 36 (59%) of the respondents strongly agreed and 25 (41%) agreed that project performance is determined by technological innovations and delivers quality. The statement had a mean of 4.59 and std. dev. of 0.49 implying that quality of the deliverables from the organizations projects was a key determinate of the projects performance which technological innovations supported. Nyonje, Ndunge and Mulwa (2012) found that in study of qualities of projects that are deemed to have perfomed well, is when all the stakeholders interest are met.

The fourth statement asked the respondents to agree or disagree with the statement that, project performance is influenced by the organization aims to have projects stay within budgets and technological innovations supports this; 32 (52.5%) strongly agreed and 29 (47.5%) agreed with the statement. The statement got a mean of 4.52 and SD of 0.50, implying that a well performing project stays within the budget and is supported by technological innovations. This findings

concurs with Agarwal and Dev (2013) who stated that technological innovations leads to long term organizational success.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter the summary of the results finding from chapter four was discussed. Conclusion and recommendation was also discussed based on the research findings. From the analysis and data collected, the following discussions, conclusion and recommendations were made based on the objectives of the study which were to determine the influence of cost on project performance in the banking sector in Kenya, to find out the influence of productivity on project performance in the banking sector in Kenya and to find out the influence of staffs' morale on project performance in the banking sector in Kenya.

5.2 Discussions

The research findings are discussed below as per each research objective and research question.

5.2.1 Cost on project performance

Based on the first objective of the study on the influence of costs on project performance, the study established that high staff turnover had negative impact on the financial performance at family bank. This was in agreement with Steers (2002) who stated that, staff turnover is costly and disruptive as well as reducing the output.

The study also revealed that staff turnover impacted the general financial position of family bank concurring with Phillips and Gully (2013) who added to it by stating that high staff turnover can hurt organizational financial performance by increasing staff replacement costs especially if top performers leave. Philip (2008) also stated that staff turnover involves allocation of tasks to less skilled and inexperienced employees who may not have the technical know-how on how to

execute the required services, leading to the realization of lower customer satisfaction. This has ripple effects on decline in sales revenue and hence further loss in organizational efficiency by affecting internal business processes.

The findings of the study established that staff turnover increased cost per unit and cost of replacement. These findings are line with Scott & Byrd (2012) who estimated that it cost organizations an average of one-third of new hire's annual salary to replace a staff.

The result findings revealed that more money and resources were used to train new staff members and influenced project performance thus directly influencing the general financial performance at family bank. This findings concur with Muhammad et al. (2013) who of the opinion that replacing staffs can cost an organization three times more than the value that the staffs will contribute to the organization within a year. This is prompted by the fact that new staffs need to be trained, as the outgoing staffs also need to be compensated based on the reason why the staff left the organization.

5.2.2 Productivity on project performance

The second objective was to find out the influence of productivity on project performance. The rate of production per unit of time defines the productivity (Munsaka, 2014) defines productivity as the rate of production per unit of time. The study established that staff turnover influenced staffs meeting their deadlines and targets. This was in agreement with Ziel & Antointette, 2003) who stated that, often the organization experiences a waste of time due to inexperienced replacement of staff. Management and other staff spend valuable time not doing their job but trying to orientate the replacement staff.

The study also established that staff turnover had a negative impact on innovation and continuity in the financial institution and reduced efficiency various department. This go hand in hand with

Muhammad et al. (2013) who stated that more experienced staff use less energy and less time in producing a definite unit that less experienced staff. The study also found strong positive correlation between influences of productivity on project performance. The study also established that, turnover led to wastage of resources in family bank reason being that, the money and resources spent on replacing leaving by hiring new staff could have been used on project development. Productivity on project performance entails output in term of quality and quantity, hours spent at work, relationships at workplace, and production per unit in regard to time. Contrary to this Yang (2018) conducted a study on individual performance he concluded that individuals' output cannot be substantiated.

The study found out that quality of service was not impacted by staff turnover. This can be attributed by the fact that, newly employed staff have prior working experience in banking centre and where there was urgency, the institution engaged agency staff though a little bit expensive before hiring .

Aden and Gichiga (2016) found out that, customer satisfaction, quality service delivery, good customer care relationship management had positive and significant effect on organizational performance. According to Kotler (2006) organizations are increasingly being customer centric and are embracing customer-driven initiatives that seek to understand, attract, retain and build intimate long term relationship with profitable customers. The results also agree with Hassan, and Ali, (2013) who investigated the relationship between customer service and organizational growth and found that there is appositive relationship between customer service and growth

5.2.3 Influence of staffs' morale on project performance

The study found strong positive correlation between staff morale and project performance. According to Osarenkhoe (2007) staff morale points to the health of internal relationship which is as important as external relationships. Motivation boosts staff morale and impacts on productivity positively. Shanks (2012) referred to motivation as a personal concept that arouses energy or drive within an individual igniting certain behaviours that give one sense of direction, urge and consistency to perform and energy needed for achieving a task.

The study established that, staff turnover disrupted teamwork thus negatively influencing project performance in family bank. This is factual as when a team leader leaves, especially the pleasing one, everything seems disoriented. This can be attributed to communication channel and the interpersonal bonds already established being severed.

The turnover influenced staff morale by increasing work stress to the remaining staff at family bank. To avoid work stress Dobre (2013) urged managers to learn what motivated individual employee because each person is different from others and may be motivated by different object, management should learn this through a systematic process. Motivation is generally associated with, achievement, improved efficiency and improved individual employee performance (Dobre, 2013). Better work environment motivates employees increasing their level of job satisfaction.

The study established that staff turnover led to long working hours every time some staffs leave the organization. The study findings concurs with Armstrong (2009) who stated that when changes occurs as a result of staff turnover, remaining staffs are required to work extra hours to mitigate temporary production shortfall. Therefore it is the duty of the management to motivate the employee because poorly motivated and disgruntled workforce have lower productivity output which directly translate to poor organizational financial performance.

The study found that staff turnover increased the workload of remaining staff members, however newly employed staff rate of catching up with working standard.

5.2.4 Project Performance

Chapelier & Shah (2013) defined project performance as the degree of achievement of a project goal within the stipulated project period and budget.

The study establish that when a project stays within the scope it can be considered as a well performing project. The findings are in addition to Agarwal and Dev (2013) who stated there are two major dimensions that can be used to measure project. Objective performance and judgmental or subjective dimension. The first dimension involves capacity utilization, market share and profitability as financial and market based factors. The second dimension entails customers and employees' satisfaction and services quality as people based measures. Subjective measure are very critical for they for they advocate for the attention that must be paid on customer and employee satisfaction as well as quality of services being offered for this are the prerequisite for organization profitability as and successful project performance. The study further established that the organization aims to have projects stay within budgets and technological innovations influenced project performance.

The study established that a well performing project is the one that delivers what was prior agreed upon to satisfy the project customer. This findings are in agreement with Mbogo (2016) who stated that a well performing project is the one that achieves deliverables that are prior agreed upon to satisfy the project customer.

The study established that quality of the deliverables from the organizations projects was a key determinate of the projects performance with support of technological innovations. Though technological innovations leads to long term organizational success, innovations and technology

can also lead to risky activities for example changes in operations, high costs of installation and training, exposure to market risks and employee dissatisfaction Simpson (2016). He added that large organizations were more likely to embrace technological and innovations thus higher chances of increased level of project performance as opposed to smaller organizations.

5.3 Summary of the findings

The main objective of the study was to establish the influence of staff turnover on project performance in the banking sector in Kenya a case study of Family bank. The result findings indicated the rate of staff turnover was very high and that considerable number of the respondents would like to change career accounting or move to another institution. The results clearly shows that there would be high staff turnover if the respondent got an opportunity to fulfil their desire to move. In this study, cost, productivity and staff morale on project performance were the variables that were used to determine the influence of staff turnover.

The study revealed that staff turnover had negative impact on the financial performance at family bank. It also revealed more money and resources were used to train new staff members and this direct increased cost per unit thus influencing the general financial performance at family bank. On the number of years served at family bank, the study found that the majority of the respondents had served for a period of less than five years.

On the influence of productivity on project performance the study established that high staff turnover negatively influenced staffs meeting their deadlines and targets and had negative impact on innovation and continuity of the institution. The study revealed that turnover reduced efficiency in various departments and it also led to wastage of resources. During high staff turnover period the study established customer needs were not met adequately.

The study found that the staff morale influenced project performance in that turnover disrupted teamwork and increased the workload of every remaining staff in various department. Staff turnover increased work stress to the remaining staff and resulted to long working hours whenever some staffs left the organization. The study also established that the newly employed staff caught up with the working standards fast.

The study established that a well performing project stayed within the scope and delivered what was prior agreed upon to satisfy the project customer. The study also found out that, quality of the deliverables from the organizations projects was a key determinant of the projects performance which technological innovations supported so long as project stayed with the budget.

5.4 Conclusion

The study concludes that that high staff turnover have a negative impact on the financial performance on banking sector. This was occasioned by costs of hiring and training new staff members.

On the influence of productivity on project performance the study established that high staff turnover negatively influenced staffs meeting their deadlines and targets had negative impact on innovation and continuity of the institution. The study revealed that turnover reduced efficiency in various departments and it also led to wastage of resources and affected the organization meeting the customer needs adequately.

Staff turnover influenced remaining staff with delays in meeting their deadlines and targets because of vacuum created by leaving staff. During staff turnover, staff morale was affected as a result of intrapersonal bonds that had been created over a period of time. The study concluded

that staff turnover had a relatively moderate impact on working hours as lower level staff normal working hours was not affected.

5.5 Recommendation

Based on the findings of this research, the following was recommended;

To ensure staff retention and thus cut on costs on project performance the bank should employ both intrinsic and extrinsic motivation factors in order to retain staff to avoid high staff turnover. Job security, remuneration, and good work place environment should be assured by the management before higher level need are met which includes; promotion, added responsibility and higher status. Employees' welfare should be taken care of properly and their performance recognized through transparent reward systems for they are the instruments in which the organizational project performance is hinged.

The bank should perform an internal staff audit based on the reasons of staff turnover. Organizational ability to retain employees is dependent on many functional factors such as controllable factors. Involuntary turnover refers to the discharge of staffs, whereas voluntary turnover take place when staffs leave the job, the banking sector should strive to contain the controllable factors.

5.6 Area for further research

The study main objective was to find out the influence of staff turnover on project performance in the banking sector. Turnover was found to have influence of costs performance, productivity, staff morale and affected the project performance as a whole. The study recommend further research using different variables and on other economic sectors like manufacturing industry.

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APPENDICES

APPENDIX I: RESEARCH QUESTIONNAIRE

The information provided will only be for the purpose of this study. Read carefully and give appropriate answers by ticking or filling the blank spaces. The information will be treated as confidential.

Your participation is highly appreciated.

Part A: Demographic Background

1. Kindly indicate your gender.

Male	[ ]
Female	[ ]

2. Indicate your level of education

Certificate level	[ ]
Diploma level	[ ]
Undergraduate level	[ ]
Master Degree level	[ ]
PhD Level	[ ]

3. What is your position at Family bank?

Project Manager	[ ]
Project Member	[ ]
Office Member	[ ]

4. How long have you worked for Family bank?

Below 1 Years	[ ]

Between 1-5 Years [ ]

Between 5-10 Years [ ]

Above 10 Year [ ]

5. How would you describe the rate of staff turnover at Family bank for the last 5 years?

High□ Medium□ Low□

6. How would you rate the extent to which the following factors influence staff Turnover?

1. A very great extent 2. Great extent 3. Moderate extent 4. Low extent

Salaries and benefits	
Job security	
Working environment	
Promotions, recognition and growth	

7. In your opinion, would you consider a career change/move?

Yes □ No□

If YES kindly state the reasons that will influence your decision in (8) above

……

If NO kindly state the reasons that will influence your decision in (8) above

……

Part B: Influence Costs on Project Performance

8. In your view, does high staff turnover influence the general financial position of your organization?

   Yes□ No□

9. Rate whether you agree that cost influence project performance? Base your answer on a five point Likert scale: 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) Strongly Disagree

	5	4	3	2	1
i.) Staff turnover has negative impact on the financial performance in this organization ii.) Staff turnover leads to more use of money and resources to train new staff members iii.) Turnover increase costs per unit in your department iv.) Staff turnover influence the general financial position of your organization					

Please comment on your answers above ……

Part C: Influence of Productivity on Project Performance.

10. Rate whether you agree that productivity influence project performance? Base your answer on a five point Likert scale: 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) Strongly Disagree

	5	4	3	2	1
i.) Staff turnover influences staffs meeting their deadlines and targets ii.) Staff turnover has negative impact on innovation and continuity in this organization iii.) Staff turnover reduces efficiency in your department iv.) staff turnover leads to wastage of resources in this organization v.) The organization meets the customer needs during the high staff turnover period vi.) The newly employed staff catch up with the working standards fast					

Please comment on your answers above ……

11. How is the service quality during the high staff turnover period?

High□ Low□

12. Do new staffs spend too much time in doing little?

Yes □ No □

Part D: Influence of Staff Morale on Project Performance

13. Rate whether you agree that staff morale influence project performance? Base your answer on a five point Likert scale: 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) Strongly Disagree

	5	4	3	2	1
i.) Staff turnover disrupts teamwork in this organization ii.) Staff turnover increase the workload of every remaining staff in your department iii.) Staff turnover increases work stress to the remaining staff in your department iv.) Staff turnover leads to long working hours every time some staffs leave the organization v.) The newly employed staff catch up with the working standards fast					

Please comment on your answers above ……

Part E: Project Performance

14. Rate whether you agree that technological innovations influence project performance? Base your answer on a five-point Likert scale: 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) Strongly Disagree

	5	4	3	2	1
i.) Well performing project is one that stays within the scope ii.) A project that delivers what was prior agreed upon to satisfy the project customer is considered as a performing project. iii.) Quality of the deliverables from the organizations projects is a key determinate of the projects performance which technological innovations supports iv.) The organization aims to have projects stay within budgets and technological innovations supports this.					

……..**Thank you for your participation**……..

APPENDIX II: ANU LETTER OF RESEARCH AUTHORIZATION



AFRICA NAZARENE
UNIVERSITY

29th, August 2019

E-mail: researchwriting.mba.anu@gmail.com

Tel. 0202711213

Our Ref: 16S03EMBA013

The Director.
National Commission for Science,
Technology and Innovation (NACOSTI),
P. O. Box 30623, 00100
Nairobi. Kenya

Dear Sir/Madam:

RE: RESEARCH AUTHORIZATION FOR: MS. FRIDAH GATHIGIA MAINA

Ms. Maina is a postgraduate student of Africa Nazarene University in the Master of Business Administration (MBA) program.

In order to complete her program, Ms. Maina is conducting a research entitled: **"Influence of Staff Turnover on Project Performance in the Banking Sector in Kenya: A Case of Family Bank"**

Any assistance offered to her will be highly appreciated.

Yours Faithfully,

AFRICA NAZARENE UNIVERSITY
BUSINESS
29 AUG 2019
P.O. BOX 53067 - 00200, NAIROBI

MR. ISAAC MWANGI
AG. PRINCIPAL: NAIROBI CBD CAMPUS.

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APPENDIX III: RESEARCH PERMIT

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **401197**

Date of Issue: **09/September/2019**

RESEARCH LICENSE



This is to Certify that Miss.. FRIDAH MAINA of Africa Nazarene University, has been licensed to conduct research in Nairobi on the topic: THE INFLUENCE OF STAFF TURNOVER ON PROJECT PERFORMANCE IN THE BANKING SECTOR IN KENYA: A CASE OF FAMILY BANK for the period ending : 09/September/2020.

License No: **NACOSTI/P/19/1355**

401197

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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APPENDIX IV: ROAD MAP

