

**RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT
PRACTICES AND EMPLOYEE TURN-OVER INTENTION: A
SURVEY OF PHARMACEUTICAL MANUFACTURING FIRMS IN
NAIROBI, KENYA**

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DECLARATION

This management research project is my original work and has not been presented for a degree in any other university.

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This management research has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I dedicate this research work to my entire family for their unlimited understanding support, and prayers in allowing me pursue this MSc (Human Resource Management) program

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LIST OF ACRONYMS AND ABBREVIATIONS

R&D	Research and Development
HRM	Human Resource Management.
COMESA	Common Market for Eastern and Southern Africa
MNCs	Multi-National Corporations
GoK	Government of Kenya
M	Mean
SD	Standard Deviation
KRA	Key Result Areas
EPZ	Export Processing Zone

ABSTRACT

The most valued resource in any organization is the Employee. Employee turnover still remain a major concern to industries as it affects the human resource that is needed for attaining its very existence. One of the methods used to manage the turnover in organization is by effective application of human resource practices. The study examine the existence of relationship between HRM practices (Recruitment system, reward system, Performance management system, Training, Career management, Employee relations) and Employee turnover intention. Data collected from 200 Employees, 10 respondents in each of the 20 Pharmaceutical manufacturing firms sampled. Findings based on the analysis shows that HRM practices have a significant relations to turnover intentions. The findings indicate that compensation, performance management and employee relations were positively related to turnover intentions

CHAPTER ONE: INTRODUCTION

1.1 Background of study

Rapidly changing business situations, dynamic labour-force with growing competition, employees have become most valued assets for many organization as turnover intention is expensive and painful experience, As a result of the tough competition in the world today, organization are trying to keep their turnover ratios down in a view to save costs. The process of hiring, recruiting and selection of new employees, inducting them, offering training are some of the costs associated to turn over. On the other hand organizations loses effectiveness, productivity, and morale of the remaining staff in the event of skilled and knowledgeable employee exit (Gould-Williams, 2003). Due to increased competition and unstable manufacturing environment in the world today, most manufacturing based organizations are turning to HRM practices to keep a head of the competition - (Sparrow, Schuler, & Jackson, 1994). Many organizations which are successful and functioning effectively are always affected adversely by employee turnover. It is time consuming in finding a suitable replacement and the training period for the new staff to achieve the maximum productivity levels. This may leads to under achievement of the set organizational objective (Waldman, Kelly, Arora & Smith, 2004). The growing competition and changes in the business environment, the survival of any organization depends heavily on its employees (Rundle 1997). Organizations therefore must establish and maintain the employee's trust through effective human resource management practices. A properly design HRM practices leads to improve job satisfaction, employee commitments ,improve social working environment, employee loyalty and trust, organizations fairness which influences turnover intentions (Raigama 2010).

Human capital theory regards the organizations employees as the most valuable "Assets" of any organization (Schutz (1961). The emphasis on knowledge, skills and peoples abilities present an important change from the Human resource thinking (Expense) to Human Capital (Asset). According Armstrong, (2006) the ability of the employee therefore is an indicative of their value. This approach present a shift in thinking that sees

people as Assets capable of adding value to the organization and guarantee its existence in the highly competitive open environment rather than as a cost item on their financial statement.

Efficiency wage is defined as the wage generally above the average market equilibrium wage. Efficiency wage theory reaffirm that a higher wage reduces turnover. Organizations may offer wages in excess of the market rate to either reduce the cost associated to employee turnover and increase employee productivity. Higher wages above the make pay makes it very difficult for an employee to find an equivalent pay in case the employee chose to leave the current job. The organizations asserts that the higher wages will be recouped through staff retention and higher labour productivity. To explain turnover intention using the Social exchange theory. Turnover intentions may also be as a result of negative reaction due to an organization not honoring their obligation (Breach of psychological). This social behavior is as a result of exchange process which tends to suppress expenses and optimize benefits. Employee will weighs the potential benefits against the employment relationship risks with the organization. Blau (1964).

The General economic growth and the increase expenditure in the healthcare by the Government over the years brought rapid growth to pharmaceutical industry in Kenya and the COMESA region in general. This growth has presented the need to increase the employee skills, improve retention of the existing ones, increase quality, production and efficiency. ([Http: //www. kenyapharmaexpo.com/Kenya.pharma.html](http://www.kenyapharmaexpo.com/Kenya.pharma.html)).

However, According to Johnsrud and Rosser (2002) points out that the study of Turnover intention sometimes faces challenges due to lack of better tracking method of those who have actual left the organization. Also their response ability are low depending on the reasons why they left.

1.1.1 Human Resource Management Practices

Human resource management practices are a set systems used by organizations to attract, motivates, retains and develops its employees that ensures effective operation and

guarantee its survival .The major components of the practices are recruitment and selection, compensation and benefits, training, performance management and career development, and employee relations. Human Resource management practices have become the most effective tools used by organizations globally to gain Competitive advantage. Organizations derive the competitive advantages from the nature and level of their employee and the practices (Human resource systems) effectively applied in managing them (Pfeffer, 1994; Barney &Wright 1998).

Recruitment and selection enables organizations to bring in employees who adds value Employees are considered the intellectual or the infrastructure capital investment which drives and maintain the organization (Sagwa, 2014). A fair and performance based compensation and benefit system remain key to the very survival of the organization. After hiring the best talents who will add most value into the organization the next challenge is how to remunerate them above the average pay in order to retain them. However there is always a disadvantage in paying the employee above the average as it might discourage bad employees to leave. Investment in training time and budget resources is essential for organizations that recruits the best in their areas of expertise. Employee skills development can further be influence when the organization provides on job training experience, mentoring and career development (Huselid, 1995). Changes in technological development requires a culture of learning and development practice. Therefore to maintain an organization where training matches changes, training has become a way to stay innovating, grow-faster and sustain a competitive advantage over others.

A systematic approach to measure performance of employee in an organizations is referred to as performance management system. It is used to appraise and recognize employee's effort through pay (salary). Effective performance management system improves employee's morale, increase productivity and retain its employees. Career Management (Development) practice, a program of planning for an employee stay in the (career path) in an organization in context to opportunities available to him. It enables training of new skills, taking of higher job responsibilities, changing position and also

changing organization. An organizations career model normally takes about five major steps.it starts with assessment, exploration, preparation, implementation and finally decision making. Employees feel more motivated and engaged when they perceive that the organizations is concern about their personal growth and provide means by which they can achieve their expectation. The final component HRM practices is the employee relation practice. Refers to ways in which an organization manages, create and maintain relationship between its stakeholders. It is concerns with the contractual, emotional, physical, and practical relationships. Open communication, feedback, recognition, appreciation and investment are some of the main areas that provide an enabling and conducive work environment (Employee relations)

A brief discussion on the approaches to Human Resource management Practices underscore the importance of the practices to turnover intentions. According to the universalistic approach, HRM practices positively affects organizations performance due to the changes in workers behaviour and attitude as influenced by the HRM practices. It is based on the best practices (Dewar and Werbel (1979). Various researchers have contributed to the theory the likes of Delaney, Lewin and Ichniowski (1989); Huselid (1993); Osterman (1994) and Pfeffer (1994). They urges that HRM practices are superior to others and that should be adopted by all organizations. The universality nature of the approach is also it drawback. It tend to create standardization of practices that may not optimally operate in the units.

According to Configuration approach organizations are a set of interconnected structures with linked process and mutually dependent practices in a systematic order. Organizations performance is improved and maintained as a result of resultant factors both internal and external. HRM practices must be jointly created and used together so as to ensure they remain interrelated to support each other. Best practices can be used only after aligning them to the organization strategy. However this approach is easily influence by strong personalities in the organization (Delery and Doty 1996). Contingency approach Suggest that for HRM practices, other organizational activities and environmental condition it faced must be align to generate effective results. The

interaction between organization HRM practices and the environmental condition faced will lead to optimal performance if matched. On the hand to achieve this optimal performance the organization must understand the uniqueness of the employee group realizing the business strategy. However the approach has a number of limitations, first it offer a limited options which takes thing as given. It does not considered then change dynamics in the environment, and lastly it does not factor the effects of implementation such as resistance, policies, exclude people (Dyer and Holder 1988; Schuler 1987).

1.1.2 Employee Turnover Intentions

The thought of an employee leaving the job. (Simon, Muller & Hassel horn 2010). If an employee seriously consider quitting the job, they are thought to have intention to quit. Intention is therefore describe as a desire. Turnover intention are very crucial to the organization as it is the final phase for actual turnover (lee & Bruvold 2003). To measure intention the organization requires a time-frame (Suleiman & Al Junaibi 2010). The process of measuring turnover intentions has three stages- Thinking of leaving stage, searching for a job stage and decision to leave stage. (Falkenburg and Schyns 2007). Therefore turnover intentions provide crucial leads to management on intervention required to control employee avoidance behavior .An employee who is likely to leave tend to be less productive and efficient (Balogun et al 2013).

Various studies about turnover intentions have been carried out using a many theories which includes, The organizational equilibrium, Social exchange theory, Resource based view, Two-factor motivational hygiene theory. This study looks at two of the theories, Theory of the organizational equilibrium explains that the needs of an individual and that of the organization must be in balance. The intention to quit occurs after an individual compares his impact to the company and expected benefit from the business, an imbalance in the equation result into an intention to quit starts. Social exchange theory also points out that the relations between two social entities depends on the extent by which each entities respect their social contract and norms. This also affirms the reciprocity rule that employees and employers are tied to a relationship whose strength influences their intention to keep or leave their jobs.

Turnover intention can be voluntary or involuntary, Employee leaving the organization based on his own decision is referred as voluntary. When he perceives that there are better opportunities than his current. Employee decision to leave may be influence by level of compensation, work environment, career opportunities Job security. Voluntary turnover trigger off a number of costs, employee benefits, job seniority, old Acquaintance network, displacement costs, and unfinished projects. Organizations can intervene through innovative Human Management Practices in (Cranny et al., (1992) .Involuntary is where an employee leaves the organization for reason other than his personal decision (i.e. being fired or laid off), (Manger & Eikeland, 1990).

1.1.3 Pharmaceutical Manufacturing Firms in Nairobi

The growth of pharmaceutical industries in the region and particularly Kenya has been on the rise and offers good opportunities for the manufacturers. The Kenyan pharmaceutical industry is divided into three of manufacturers with 30 registered plants, distributors numbering 700 and 1300 retailers. Over 2000 people are employed, 65% works in direct production. (http://www.kenyapharmaexpo.com/kenya_pharma.html). The majority of the manufacturing units are in the private sector. They are mostly family based doing majorly the assembly of generic products. The labour is both skilled and semi-skilled

1.2 Research Problem

Manufacturing organizations are increasingly faced with the problem of staff intention to quit as a result of globalization effects due to the increased development and use of internet and associated technologies. Globalization has also increased access to foreign ideas and practices thus increasing the flow of information. The pharmaceutical manufacturing organizations in Nairobi are facing Challenges in retaining their employees. Employees are jumping from one organization to another sometimes in large numbers on monthly basis or short intervals of time. The staff turnover leads to frequent recruitments and training sessions. This increases hiring costs and denying the organization valuable time to focus on customers issues (Pharmaceutical Association of Kenya 2015).

Kenyan Pharmaceutical industries is undergoing strong competition from the imported goods according to the empirical studies (Wilson and Peel, 1990).the investment in the sector is capital intensive. To stay a head of the rest they have to invest in technical research. Competitors and new market entrants with better offers increasingly employing skilled key staff and operators from the established organization in the market. Staff turnover annual aggregate in 2006 was 14.2% in the pharmaceutical manufacturing industry and biotech. Smaller market entrants, particularly biotechnology companies attracts employees of manufacturing pharmaceutical subsector with better pay as to avoid training cost. The sharing of the skill sets that are required for both pharmaceutical sub-sector and biotechnology sub-sector has results to massive exodus of personnel from the pharmaceutical sub sector into these upcoming biotechnology sub-sector, since the skills required is the same in both sub sector, affecting organizational productivity and performance. (Paul and Anantharaman, 2003).

The employee movement has evidently affected the Pharmaceutical firms are responding to the turnover issues by paying more attention to its innovative segments and increased expenditures in R&D by focusing in the in house innovation technological and market specialization, this has resulted in stagnation and profit drop in the industry leading to cost cutting measures.

According to most studies done, the preliminary indices, shows that Ranbaxy Laboratories limited, a leading Chain in the pharmaceutical industry has the highest turnover, (Delaney and Huselid, 1996), In Kenya 50% of the staff have an intention of moving within the next two years while 69% felt they will move due to Management policies this is as per the 2009 employee satisfaction survey. A number of studies on employee intention to quit in Kenya, used various indicators such as Staff perception to quit, organization culture, organization compensation and reward in state cooperation and private firms

1.3 Objective

The study aims at carefully examine the relationship between human resource management practices and employee turnover intention in pharmaceutical manufacturing firms in Nairobi.

1.4 Value of Study

Findings of study will be of great significance to the Human Resource Manager or Human Capital Managers, as they will be able to asses and evaluate the appropriate Practices in their organizations and integrate them in their strategies to reduce the actual turnover. Managers will also use the findings to benchmark and evaluate the most appropriate practices that works effectively for their industry.

The study will be a valuable point of reference for the Kenya Government in identifying major factors that influences the management and motivation of staff to avoid turnover, it will also enable Managers and policy makers to recognize and identify measures that make a work place environment conducive for employees and investors reducing employee intent to leaving the organization. The study will also be useful to other students of Human resource management and other scholars as it will form part of literature to be used for further works in the field of HRM practices.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter makes a review on the Human resource management Practices and turnover intentions and the effective relationships. The chapter is divided into theoretical review, empirical literature and framework.

2.2 Theoretical Foundation

Mathis & Jackson, (2003) suggested that employee turnover is anchored on theories of motivation, hence the application of relevant motivation theories which include Human Capital, Efficiency wage and Social exchange. This study will be anchored on the following theories human capital and Efficiency wage.

2.2.1 Human capital theory

The theory assumes that employee is an intangible asset – therefore not replaceable nor cannot be owned by the organization. The theory states that certain stock of productive capital can only be generated by the knowledge and skills a worker generates. The drivers of the organizational operations are the employees (Becker, 2008). It is essential for the organization to attract and retains world class capital, a cadre of highly skilled employees necessary for the organization existence. Organizations must shift from human resources to human capital, (Grobler et al., (2006). People becomes valuable assets to the organization as opposed to employees being treated as expense items. Employees add value to their organizations thus guarantee it existence in the ever competitive environment, (Lynch, 2005).

According to Gardener, human resource looks at individual staff from a conventional model employee conforms to the unidimensional norm (one skill), however he argues that Human capital is dimensional can be look at from many dimensions (many types of skills)

The long-term survival of the organization depends on the motivating human elements such as learning, changing, innovating creativity. Organization better performance is

contributed by the value addition by the Capital assets within it. As such people are assets and not a cost within the organization. (Schultz 1961) Bontis (1998) posit that the distinct Character of the organization depends on the combined intelligence skills and expertise of the capital within it, Boxall 1996 looks at Human capital theory as Human Capital advantage. In recent times economic studies have shown that organizations - specific human capital, such as policies and procedures that are of value within one specific organization, social relationships, individual instincts, are used to explain labour mobility issues. Organizations gain when the Human capital are unwilling to leave organization and market their talents elsewhere after they acquire knowledge, skills and instincts. (Sagwa 2014)

2.2.2 Wage Efficiency Theory

This theory assert that there is a direct relationship between the pay and productivity. Increasing wages will lead to increase in productivity. A better pay package motivates an employee to exert more efforts thus increasing productivity. There are two contrasting effects to the theory. A worker with good pay package with the current employer, makes it very difficult for the employee to leave as it will be difficult for the employee to get a similar job somewhere else. (Syptak, Marshland and Ulmer 1999). Employees will not be will be able to leave if the pay is high therefore organization have to absorb some turnover cost in a low turnover situation due to higher pay. Firms have incentive to pay higher to reduce the cost of turnover (Salop1979 and Stieglitz 1974)

The Theory therefore affirms that higher wage reduce. Every employee requires a fair remuneration package for the work they do. In most cases if the employee expectation are not met by the organization demotivation set in which leads to turnover which also affects the productivity. It is recommended that organizations to perform salary benchmarking within the industry. Organizations should put in place a clear guide lines to salaries increase, bonus, allowances (Syptak, Marshland & Ulmer, 1999).

2.2.3 Social Exchange Theory

It offers platform on which organizations use to explain and monitor the employee attitudes and priorities on the factors that performance depend on are influenced. Successful Organizations achieves their goals by developing strategies that aims at achieving or getting the most out of the employee. Maximum results or outputs from an employee is achieved when the organizations management knows ,understands the employee expectation and employs policies that manages the expectations so as to fulfill their obligations. (Fasting & Schafer, 2014). The social contract theory affirms reciprocal interdependence between the parties that generates obligations through a series of interaction. Individuals in the organizations usually feel indebted to respond and pay the organization whenever they receive resources from the management both economical and socio emotional .The engagement creates a relationship between employer and employee. The two level engagement determines how an individual pays the organization, the greater the amount of cognitive emotion and physical resource the employee devotes on his work depend on their interaction trust. (Širca, Babnik & Breznik, 2012). Failure by the organization on its obligation leads to withdrawal and disengagement from their roles. (Saks A.M 2006). Additionally organization can also apply the psychological contract obligation where they provide resources for individual personal career development, improvement job security, working environment for individual employees.

This research therefore use the social theory framework to examine the relationship between HRM practices to turnover. It examine to what extent do the employees believe that HRM practices implementation by the organization meets their expectation.

2.3 Factors affecting employee turnover intentions

Various complex variable factors in relations to each other affects the employee turnover intention in the current labour market. However the common determinants that drives the employee desire not to leave are the prevailing Human resource practices employed by the organization. (Cranny, Smith, and Stone, 1992; Robbins, 2003)

Studies have shown that factors such work environment, economics issues, performance issues, career issues greatly impact on the employee turnover intentions. These environment factors includes workload, leadership style, leave policy and working hours. Career progression issues includes job satisfaction, job security, career growth facilities, and trainings. A poor performance appraisal design includes fair assessment, reward for good performers, promotions policy, punishment for poor performers. Economic issue such as better pay, annual increases policy, loan facilities, bonuses and pension schemes

The above interrelated factors influences the turnover intentions (Ghiselli, La, and Bai, 2001; Summers and Henfrix, 1991)

2.4 Human Resource Management Practices

These are the architectural building block for directing and controlling of organizations' employee and its business strategies.(schuler,1984; wright and Snell,1991) The practices are a bundle of activities that are involved in the management of positions , they includes employee procurement management, economics issues management, performance measures career management, employee training and employee relations aspects.

According to Armstrong 2006; Management Practices (HRM) are the foundation on which the employee and employer relationship trust holds. Employee feel valued when they see the level of commitment. Employee behavior and attitude which influences performance are managed by the deployment of practices, job satisfaction, motivation engagement which reduces the turnover intention (Elanain, 2009). Different scholars have commonly used four practices associated to employee behavior, retention, performance' motivation and job satisfaction. Choi Musibau and Tan 2013) looking into the issue of turnover intention. A "perspective of HRM practices in SME" dwelt majorly on compensation, employee relations, training and performance, while Tauseef (2013) added work life and empowerment, competence development.

Manufacturing-based industries today are faced with very high competition and unstable market environment with new entrants. For their survival they seek to achieve competitive advantage with the industry through innovative HRM practices (Sparrow,

Schuler, & Jackson, 1994). The ability to stay ahead of competitors, for the any business depends mainly on its ability to retain its staff (Rampur, 2009). Organizations will fail in their business objective, lose millions of business revenue and customers due to of high staff turnover. Turnover also negatively impact on the organizations corporate image., Managers are face with the challenge of having to address turn-over problems.

2.4.1 Human Resource Management Practices and Turnover Intentions

These are bundle of interrelated systematic factors which forms the overall HRM systems. The practices provide a strategic platform on which firms consistently align internally and externally to the competition. They includes hiring and selection procedures, performance management, reward systems, Career management systems, training and employee relations and engagement, and are linked to the business need, objectives, and the engagement of employee (Arther, 1994; Huselid, 1995;).The six above component are job characteristic which influences the employee behaviour and attitude responsible for improving performance, Increase commitment leading to reduce turnover intentions (Elanain, 2009). Western literature points out to an existence of a significance negative relation of HRM practices to turnover intention. Sung and Cho 2010 note that a significance negative correlation between compensation and turnover intention. Training according to Benson, 2006; positively affects employee commitment but have a negative effect on turnover intentions Organizations will maintain or achieves lower employee turnover intention in the events that they are able to invest in superior Human resource management practices which exceeds actual cost.

2.4.2 Recruitment and Turnover Intentions

Organizations stays a head of the rest in the industry with the creation of an exceptional human talent pipe line by investing in well thought recruitment policies and retention policies. (Boxall, 1996). Organizations are increasingly turning to applicants who possess a range of skill sets that includes social, interpersonal and teamwork as an added advantage to technical ability even though they want to recruit the best in class.

Successful organization will put socio and teamwork skills at the center of their recruitment process, Wood and De Menezes explains that those with those skills can easily adapt a flexible working practices and easily accept working in teams . This improves job satisfaction which leads to reduce turnover intention (Wood and de Menezes (1998).

Other important criteria used is the Trainability and commitment. Organization with trainable and highly committed workforce will experience high level of success. Wood and Albanese (1995) confirmed that trainability and commitment are the two main skill sets sought by employers which are linked to social and team work. Trainability therefore is increasingly becoming a hiring criteria according to a study conducted by Hoque and Alam (1999) of large hotels. Organizations believes that technical training in the absence of commitment skills and teamwork skills will not achieve the desired result.

2.4.3 Training and Turnover Intentions

Training, a planned effort intended to assist employee learn specification of a job, related knowledge, skills or behavior. (Noe et al., 2006). Through training programs employees acquire new skills to perform their duties effectively increasing self-confidence, Job security, which motivate and help in retaining the employees. Training helps organization improve productivity. Organizations offering employee training reports high productivity (Tan & Batra, 1995; Aw & Tan, 1995). Organizations can use various models in training such as on job training, specialized skill, or vocational training. A descriptive research by Nyakundi (2011) on factors affecting private schools in Kenya with a sample of 72 teachers establish that career development and training are the most valued HRM practices keeping teachers in their respective school. To establish the effect of HRM on turnover Marlize and Gilberto (2014) using a quantitative design to study turnover in Brazilian private companies found out that organizations applying training as HRM practice experience low turnover.

Training enhances job autonomy, high employee involvement, teamwork, and increase productivity which influence the employee turnover intentions (Batt (2002). Practices

that are associated with high performance due to availability of training reduces turnover intentions, (Huselid, Jackson and Schuler (1995)). Organizations use training strategy to reduce employee turnover during economic uncertainty periods (OECD, 1993). Untrained employee turnover rate is higher, they change job more frequently due to lack of special skills (Lynch 2005). However a balance between increased productivity benefits and the cost of training must be achieved or realized for the organization to benefit from the training objective. There are challenges of retaining a trained workers who can turnover faster due to the high unique skills acquired. He can migrate easily when offered opportunity elsewhere where the pay is higher. without paying for the training he acquired.

2.4.4 Compensation and Turnover Intentions

Employee reward or benefits is a critical aspect in addressing employee turnover intention. Designing acceptable compensation and benefit system that is believed by the employee as reasonable and comparable to their skills and expectation still remain a challenge. Employees pay is viewed as a tangible reward for the employee services offered and appreciation for their effort and good work. (Thwala et al., 2012;). A study of the Kenyan sugar industry by Bula (2012) with a sample size of 120 stakeholders found out that the salary structure and levels are the mean reason why employees look for alternative jobs. Other causes were work environment, performance management and career progression. Mrope & Bangi (2012). Carried out a study on the effect of compensation to turnover intention of the Southwest Airlines revealed that incentive and salaries encourage staff to leave. An empirical examination of the effects of compensation on the workers retention in the banking industry Accra Ghana by Mensah (2014) established that compensation is the leading cause for turnover. Career progression, work life balance and employee engagement are also some of the causes of turnover.

Compensation incentives used to drive productivity of individual performance in the organization, Non-monetary compensations should also be used along the monetary strategies to increase job satisfaction. Organizations uses compensation or benefits as a

strategy to influence individual performance and strengthen business performances of the organization to reduce employee turnover intentions.

2.4.5 Performance Management and Turnover Intentions

Is a systematic process to measure the performance of the employee. The organization use it to align their mission, goals and objective with available resource in an efficient and effective way. Failure or success of the organizations performance management system depends very much on the organization culture, philosophy, skills and attitude of those charged with its implementation and operationalization. The relationship between turnover and performance was tested by Mohammad and Ibrahim 2014. In a study conducted on 12 Palestinian government hospital .504 nurses respondent were contacted, linear regression analysis used to check the correlation, results shows that performance have a significance to turnover intention. According to a study by Mohammed and Faizuniah (2015), Effects of HRM practices on turnover intentions among the private university of Pakistan .they sampled 270 staff who were on full time basis. The result confirms that performance management influences turnover. Employee performance appraisal process forms the basis of the feedback system to the employees and are used for organizations human resource management policy formulations (Chris, 1996; Thwala et al., 2012; Abdullah et al, 2012).

2.4.6 Career Development and Turnover Intentions

Career development - Dynamic process by which any successful organization manage the needs of its employee from the lowest ranking staff to the highest position .It aligns the individual need to the organizational business needs. Manager must take great interest and responsibility to mentor employees into taking responsibility for their own careers, they act like mentors, offer feedbacks on individual performance. Managers have responsibilities of communicating to the employees' available informative information about the organization, the relevant vacant position, vacant promotional posts, and to assist them in identification of available career options (Zandy et al., 1986). Ensure that the employees are aligned to the organizations' objectives, vision, mission, and core values. They must also be clear of the policies, support self-assessment, training and

development goals. The available organization opportunity combined with an individual contribution leads to significant career growth achievement. (Sherman et al., 1998).

2.4.7 Employee relations and Turnover Intentions

Employee relation is a key HRM practice which is used by the organization to create an enabling space for productivity .According to the social exchange theory organization must know, understand and manage the expectation of the employee so that it influences their attitude and behavior. Employee will usually have perception of the organizations care and support (Blau, 1964). The norm of reciprocity theory (Gouldner, 1960), Eisenberger (1986) explains that the reciprocal interdependent, affects individual attitudes and behaviors. The reciprocal interdependent that generate obligation and motivates the employee to pay the organization with loyalty and extra effort for the perceived discretionary organizational economics and socio emotional support such as (Eisenberger et al., 2001, Alexander, 2012). A Conducive working environment, good communications between the parties enhances and sustain satisfactory productivity, increases staff motivation ,enhance job satisfaction, The relations enable the organization in achieving it set objectives. Organization need to find a middle ground on handling staff disciplinary issue and their rights. In the context of discipline, organizations turn to counseling as opposed to outright disciplinary action to achieve both organizational and individual expectations. (Sherman et al., 1998).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter makes a presentation of the research methods used in this study .it provides the research design, the information on the sampled population, data collection instruments and finally the analytical method used in order to answer the research question.

3.2 Research Design

This is a descriptive research in nature, it attempt to describe the relationship between HRM practices to the turnover. The technique helps in the observation, description, recording, analysis and reporting of condition that exists. It is appropriate for this study due to the lager number of the respondents

3.3 Target Population

Target population comprises of 20 pharmaceutical manufacturing companies currently located in Nairobi. They manufacture and distribute pharmaceutical products in the country though they are located in Nairobi. The companies are listed in the Appendix II

3.4 Sampling

200 employee out of 2000 employees of the study population was selected through a stratified random sampling method (http://www.kenyapharmaexpo_pharma.html). The use of stratification was necessary to consider the different cadres of employees which pose turnover intentions in relations to the practice variables under investigations. The respondents were 60 Management employees and 140 manufacturing workers of which 30% are from the management and 70% from workers in each Manufacturing firm.

3.5 Data Collection

For the purpose of this research, a structured questionnaire was used for the collection primary data. The questionnaire were dropped to the respondent and later picked after completion. Manager's and employee were the respondents. The questionnaire consist of

three parts: Part A collects data on demographic; Part B: focusing on the selected practices and Part C was on turnover Intentions.

3.5 Data Analysis

The collected data is presented for analysis. Data analysis according to Kerlinger 1973 is the categorization, summarization and manipulation of data to derive results to answer the research question. Findings are then presented in descriptive statistical measures of mean, standard deviation distribution, frequency based on the questionnaire.

The regression analysis model

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \epsilon$$

Where

Y= Turnover intentions

X₁ = Recruitment and selection

X₂= Compensation and benefits

X₃= Performance Management system

X₄= Training and Development

X₅= Career development

X₆= Employee relations

CHAPTER FOUR: DATA ANALYSIS FINDINGS AND DISCUSSION

4.1 Introduction

This Chapter outline the data analysis process followed by a discussion on the research findings. The findings relate to the research question that guided the study. Data was analyzed using contents analysis based on meaning and implications originating from the respondents' information. It starts with the analysis of the general information of the respondent and their organizations, followed by the practices and finally ends up with a look at the turnover intention factors in the pharmaceutical industries.

The regression results was used to determine the relationship between the dependent (turnover intention) and independent variable (Human resource Management practices) Presentation of the findings is through pie charts and table for easy of interpretation.

4.2 Response Rate

The distribution of the questionnaire to the twenty pharmaceutical firm's employees through drop and pick method targeting two hundred employees. This translates to ten employees per firm of which three are management levels while seven are workers. 179 forms collected representing response rate of 90%

4.3 Background Information

The study used a self- answered structured questionnaire to collect the primary data. The first part was the demographic data. Demographic data consisted of Name, age, position, title, years of operations. A total 200 questionnaires were distributed and 179 were received back. Descriptive statistical analysis was used to identify Means and Standard deviation. Statistical significance of the relationship among selected variables was determined using the regression analysis .The level of significance was set 0.05

4.3.1 Distribution by organization

Table 4.1; shows the profile of participating companies, sample was largely evenly distributed among the sampled organizations with the lowest responses noted in Concepts

Africa Ltd, Skylight Chemicals Ltd and Regal Pharmaceuticals. In average the response was above 60% in each organization.

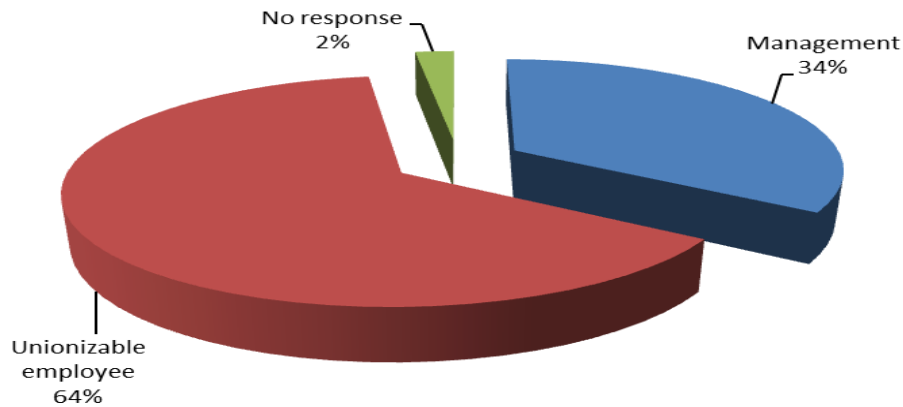
Table 4.1: Distribution of the respondent by organization

Organization	No of respondents	Percent
Cosmos Pharmaceuticals Ltd	10	5.6
Concepts Africa Ltd	6	3.4
Beta Healthcare International Ltd	10	5.6
Skylight Chemicals Ltd	6	3.4
Regal Pharmaceuticals	7	3.9
Universal Corporation Ltd	8	4.5
Bio deal Laboratories	10	5.6
Harley's Ltd	10	5.6
Ely's Chemical Industries Ltd	10	5.6
GlaxoSmithKline	8	4.5
Laboratory and Allied	10	5.6
Nerix Pharma Ltd	8	4.5
Comet Healthcare Ltd	9	5.0
Aesthetics	9	5.0
Dawa Ltd	10	5.6
Sphinx Pharmaceuticals	10	5.6
High Chem (k) Ltd	10	5.6
Mack Pharmaceuticals	10	5.6
Bayer East Africa Ltd	10	5.6
Njimia Pharmaceuticals Kenya Ltd	8	4.5
Total	179	100.0

4.3.2 Distribution of the respondents by Employee position

From the survey results more than half (64%) of the respondents were unionizable employees against a target of 70% while 34% were managers against a target of 30%.as shown in figure 4.1

Figure 4.1-Classification of respondent by position



4.3.3. Commencement year of operations in Kenya

Majority of the respondent works in organizations whose operations in Kenya is between 21 and 30 years representing about 30.7% (six firms) , The lowest percentage comprised of respondent from firms whose operation are between 11year and 20years about three firms . About four firms each have been in operation for up to 10 years and more than 40 years. This is about 16.8% and 22.4% respectively

Table 4.2: Classification of the respondents by years of operation.

Years of operation	Manufacturing firms (No's)	No of respondents	Percent
Up to 10 years	4	30	16.8
11 to 20 years	3	26	14.5
21 to 30 years	6	55	30.7
31 to 40 years	3	28	15.6
More than 40 years	4	40	22.4
Total	20	179	100.0

4.3.4. Classification of respondents by number of Employees by category

From the survey findings nearly half of the organizations about 9 firms constituting 45% had between 101 and 400 employees. 5 organizations are with over 400 employees (27.9%) while 6 organizations with up to 100 employees (26.3%).

Table 4.3: Number of employee's respondents by category

Number of employees	No of respondents	Percent
Up to 100	47	26.3
101 to 200	25	14.0
201 to 300	28	15.6
301 to 400	30	16.8
More than 400	50	27.9
Total	179	100.0

4.4. Human Resource Management Practices

The questionnaire sought responses on the management practices in the organizations and how they are being implemented.

4.4.1: Recruitment and Selection

Majority of respondent agreed on recruitment and selection factors (M=3.5, SD=1.1). They particularly agreed that 'selection procedure is objective and based on job description and person specification against what is offered' (M=3.6, SD=1.0) and they also concur that adequate and relevant information about the organization and job at the time of recruitment are given' (M=3.5, SD=1.2).

Table 4.4 Measures of Recruitment and Selection practices:- Mean and Standard Deviation

Measures for Recruitment and Selection Practices	M	SD
Recruitment and selection process used for in hiring in the organization is rigorous	3.3	1.2
A Candidate selection in our organization is strictly based on merit	3.4	1.2
Candidates are provided with adequate and relevant information about the organization and job at the time of recruitment	3.5	1.2
Selection procedure is objective and based on job description and person specification against what is offered	3.6	1.0
Our organization places the right person in the right job	3.4	1.2
Average	3.5	1.1

4.4.2: Training and Development

A neutral average response for the majority of the respondents on training and development factors (M=3.3, SD=1.2) with majority agreeing that ‘The organizations provides formal training to the newly hired employees’ (M=3.7, SD=1.2) and Training programs contents organized always reflects the changing needs of our jobs and our business (M=3.5, SD=1.1).

Table 4.5: Measures of Training and Development practices - Mean and Standard Deviation

Indicators of Training and Development practices	M	SD
Our organization includes social skills, general problem solving skills and broader knowledge of the organization and business in the training objectives	3.2	1.2
Participation in various seminars and workshops by the employees is encouraged by the organization	3.0	1.3
The organization provides formal training to the newly hired staff	3.7	1.2
Training programs contents organized always reflects the changing needs of our jobs and our business	3.5	1.1
Training programs contents organized by the organization always reflects the changing needs of our jobs and our business	2.9	1.2
Average	3.3	1.2

4.4.3: Compensation and Benefits

The majority of the employee who respondents agrees that ‘our organization always pays salaries due to the employees in time’ (M=4.2, SD=1.0) while disagreeing that ‘pay increments offered to employees are satisfactory’ (M=2.4, SD=1.2). However to a larger extent a neutral average response for the majority of the respondents was depicted on Compensation and Benefits (M=3.1, SD=1.2).

Table 4.6: Measures of Compensation and Benefits Practices- Mean and Standard Deviation

Indicators of Compensation and Benefits Practices	M	SD
Job performance is crucial factor used to determine the compensation of employees	2.9	1.3
Remuneration is competitive compared to what is offered in other organizations	2.8	1.2
Pay increments offered to employees are satisfactory	2.4	1.2
This company has a comprehensive reward policy for all employees	2.5	1.2
Our organization always pays salaries due to the employees in time	4.2	1.0
Average	3.1	1.2

4.4.4: Performance Management system

Most of the respondent were non-committal on performance management system (M=3.0, SD=1.2) scoring neutral for all the five factors as shown in Table 4.7. This is probably an indication that they were not sure of the level of it implementation in the organization

Table 4.7: Measures of Performance Management- Mean and Standard Deviation

Indicators of Performance Management System practices	M	SD
Performance management system is clearly defined in the organization	3.3	1.2
Job description clearly defines the KRA's which performance is rated	3.2	1.0
Performance appraisal goals are formally set and agreed between the supervisor and employee	3.1	1.3
Disagreement regarding the appraisal decision is freely expressed	2.7	1.3
Promotions are strictly based on performance management system	2.8	1.3
Average	3.0	1.2

4.4.5: Career Development System

As on the performance management factor most of the respondent were non-committal on career development system (M= 2.9, SD=1.2) scoring neutral for all the five factors.

Table 4.8: Measures of Career Development System Practices- Mean and Standard Deviation

Indicators for Career Development System Practices	M	SD
Employees have sources other than their managers for career advice	2.8	1.2
There is a well explained organizational policy on career development program	2.7	1.2
Open positions are filled through a clearly defined process based on merit	3.0	1.2
The managers are adequately trained to support the employee career development policy	3.2	1.2
Average	2.9	1.2

4.4.6: Employee Relations

Table 4.9 Majority of the respondents were neutral on employee relations with a mean response of 3.2±1.2.

Table 4.9: for Measures of Employee Relations practices - Mean and Standard Deviation

Indicators of Employee Relations Practices	M	SD
Employees have free access to the top management and are always involved in decisions affecting them	2.9	1.3
Management has a strong faith in the employees and value them	2.9	1.2
The turnover rate is high in this organization	3.4	1.2
This organization has a clear grievance and disciplinary procedure in place	3.2	1.3
Average	3.2	1.2

4.5: Turnover factors

The majority of the respondents were neutral on turnover factors with a mean response of 3.4 ± 1.1 . The respondents generally agreed that ‘the employees leave this organization looking for better pay in other organizations’ (M=4.1, SD=1.0), ‘due to limited opportunities for training in this organization, employees don’t hesitate to quit if they got opportunity elsewhere’ (M=3.7, SD=1.2) and ‘employees make quit decision known immediately they get an equivalent or better job in another organization’ (M=3.6, SD=1.1) and were neutral on ‘employees are not always rewarded or compensated for improved or better performance’ (M=3.4, SD=1.3). There was disagreement on ‘employees who quit lack sufficient skills and abilities to cope with their colleagues’ (M=2.3, SD=1.1).

Table 4.10: Measures of Turnover factors- Mean and Standard Deviation

Turnover Factors Indicator	M	SD
Employees make quit decision known immediately they get an equivalent or better job in another organization	3.6	1.1
Due to limited opportunities for training in this organization, employees don’t hesitate to quit if they got opportunity elsewhere	3.7	1.2
Employees are not always rewarded or compensated for improved or better performance	3.4	1.3
Employees who quit lack sufficient skills and abilities to cope with their colleagues	2.3	1.1
The employees leave this organization looking for better pay in other organizations	4.1	1.0
Average	3.4	1.1

4.5.1: Relationship between human resource practices and employee turnover intentions

Literature from the western context notes that HRM practices has a significant relations to turnover intentions. Blowing & Hammond 2008; Sung and Cho 2010; Benson 2006; Zimmerman & Darnold 2009; Chang, Chou & Cheng 2007; Abeyekera 2007). Sung and Cho (2010) found a significant negative correlation between reward and turnover intentions .Benson (2006) found that training is positively related. Zimmerman & Darnold found a negative relation on performance appraisal to turnover intentions. Chang, Chou & Cheng 2007 noted that chances of career development programs will help reduce turnover intention according to their study on nurses' turnover intentions

Studies done by Juhdi, Pawan and Othman 2011 non-western context where they evaluated the impact of HRM practices on organizations commitment and found out that all the practices have a relationship to turnover intentions.

Linear regression conducted to test relationship between employee position in the organization, Years of operation in Kenya, Numbers of employees, Human management practices and employee turnover. In step one two control variables (employee position in the organization and years in operation) were considered and then six variables on practices (Career development, Performance management, Training and development, Compensations and benefit, Employee relations, Recruitment and selection) were entered. The results of the regression analysis between HRM practices and employee turn-over intention are shown in Tables below.

Table 4.11. Shows the dependable Variable, Turnover intentions relation to the independent variables, Human resource management Practices Employee relations, Performance management, Career development, Recruitment and selection, Compensation and training shows R at 0.65 and Rp at 0.47. which implies a direct and significant relationship.

Table 4.11: Predictors and dependent correlation coefficient summary

Model	“R”	“R” Square	Adjusted R square	STD error of the estimate	Change Statistic				
					R square change	F. Change	DfI	D f2	Sig F. Change
1	.65a	.46	.42	.57	.47	8.32	7	65	.000

The displayed values “R”, “R” squared, adjusted “R” squared and standard error are result of the linear regression analysis. Where “R” is the correlation between the observed and forecasted values of the criteria variable and “R” ranges from -1 to 1. The direction of relationships is indicated by positive or negative sign, while the strength of relationships is indicated by the magnitude. Adjusted “R” square tries to modify “R” square in order to reflect the appropriateness of the model in the population. R squared ranges between 0 to 1 which represent the adequacy of the model in the population

Table 4.12 Recruitment and Selection, Compensation and benefit, Training and Development, Career Development, Performance Management and Employee Relations has a significant effect to the dependent variable of Turnover intention .The value of less than 0.05 based on ANOVA F-statistic model with statistical significance ($\alpha = 0.05$).

Table 4.12: Predictors and dependent variable regression analysis result

Model	Sum Square	Df	Mean Square	F	Sig
Regression	17.77	7	5.55	12.32	.000a
Residual	16.94	60	0.30		
Total	34.71.46	67	.57		

Table 4.13 Present the results of the linear regression analysis on the predictors under investigation to the dependent variable turnover intention. The unstandardized coefficients (β) of Recruitment and Selection, Compensation and benefits, Performance Management, Training and development, Career development, and Employee relations as -0.15,-0.28,-0.27,-0.27,-0.16,-0.19,0.26 respectively. From the result there is a high significant relations to turnover intentions of -0.28 as compared to the other 5 predictors. However all the other predictors have a significant of less than 0.05 indicating that Human Resource Management practices have significant connection to turnover intentions?

Table 4.13: Independent variables and dependent variable regression Analysis result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		β (Beta)	Std. Error	β (Beta)		
(Constant)	β_0	-5.19	0.41		12.55	0.00
Recruitment and selection	β_1	-0.15	-0.12	-0.15	-1.75	.45
Compensation and Benefits	β_2	-0.28	-0.16	-0.28	-1.75	.67
Performance Management	β_3	-0.27	-0.19	-0.27	-1.86	.18
Training and development	β_4	-0.16	--0.12	-0.16	-1.65	.20
Career development	β_5	-0.19	-0,15	-0.19	-0.97	.14
Employee relation	β_6	-0.26	-0.17	-0.26	-0.65	.65
R=69						
R sq.=47						
Adjusted Rsq.45		-.26	.21	-.28	-1.56	.22

4.6: Discussion

The chapter present statistical findings obtained from the questionnaire. The result suggest that Compensation and Benefits, Performance Management System, and Employee relations have the highest significant relations to the turnover intentions as compared to the other Practices. Recruitment and selection, Career development and Training have low significant to turnover intention in the industry hence less impact.

This findings therefore illustrate that organizations with good implementation level of performance management system, career development, fair compensation and benefit system and provide an enabling environment will have low turnover intentions. If the performance management system is well implemented there will be improved performance, the open and honest feedback from performance appraisal activities will helps the employee improve, this improves employee job satisfaction which assist in employee retention thus employee will not leave the organization because he becomes satisfy with his work. Poor implementation of performance management system lead to demotivation and disengagement of employees hence lowering performance of the employee thus increasing the turnover intention.

Evidently the study indicates that compensation and benefits is significant predictors of employee turnover in the pharmaceutical industry of (significance -0.28). Compensation and benefit system that is perceive by the employee as reasonable and comparable their skills and expectations is desirable. Compensation system is crucial factor to employee in an organization as it is considered actual reward for their services and away of appreciation. Job satisfaction relate positively to the Benefits and salary enrichment strategies thereby creating a negative effect to turnover. With increasingly turnover challenges in many industry, it is important that other strategies are developed as to mitigate turnover intentions.

Employee relations as predicator of turnover intention is explained as the maintenance of constructive healthy working relation in an organization between the employers and employees. From the result the positive significance effect of -0.26 .Good employee

relation contributes to job satisfaction, enhance trust, motivation of employee leading to high performance that meets the organizations goals and objectives. The building of trust between the employers and employees based on the reliance and willingness of both parties help in creating a good employee relations. When the employers do not feel vulnerable while the employees don't have uncertainty in their relationship then this is a manifestation of good employee relation system.

Career development opportunities is also an important indicator for employee turnover. The result of -0.19. Pharmaceutical industry is specialized both in skills sets and knowledge. The skilled and knowledgeable employees will be looking for personal career growth with the industry therefore career-inducement programs aimed at achieving long term prospects of internal promotional opportunity will reduce the intention of knowledge workers to search for alternatives.

Due to the complexity nature of HRM and turnover decisions, the subject illicit attention of many scholars. There are various contextual variable relating to the labour condition that are at interplay Brewster (1999). Labour turnover depends on such factors as working environment, legislation and regulation, organizations culture which are predictors to turnover decision. It is therefore both internal practices and external issues are key determinant leading to high or low turnover.

4.7: Managerial Implication

The foundation of any successful and growing organization lies in its organizational culture and People management practices (HRM). This can only be achieved by building and retaining a committed and dedicated workforce. The hiring should be based on the refined HRM framework.

From the research findings Compensation and Benefits is the leading predictor in the industry. Managers in the industry can gain better understanding of the prevailing salary structures and other benefits at various levels of the organization. This enables the organization to balance the financial and staff cost. Employee relations has a significant

positive effects of -0.26 on turnover. The organization can put proper framework to address the underlying issues of working environment, union matters and regulations. Implementation of an internal process design to enhance trust and confidence that leads to engagement of key players

Performance management is another key learning point .Managers need to design a fair and transparent system that helps in improving individual performance through a feedback system. It should help in supporting the employee to achieve his full potential, High performing workforce remains motivated and help the organization in achieving its business mandate and objectives. Finally as the overall result illustrate all the HRM practices have significant effect on turnover intentions. It therefore enable Managers to gain understanding of the HRM practices that are at play in their respective organizations

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter will cover the following areas; summary, conclusion, recommendation and limitation

5.2 Summary

In summary, the aim of this study is to assist in understanding relationship between Human resource management practices and the employee turnover intention in manufacturing pharmaceutical industry. The results indicates that Recruitment and selection, Training and Career development have marginal impact to employee turnover. This is probably explained by the fact that the government has continued invest in manpower skills and their personal development in the sector. The growth in the health sector has been assisted by the government policy of continuous training of personnel to compliment the sector. Majority of the respondent agreed that selection procedure is objective and based on job description and persons specification. Relevant information about the organization is avail to the candidates. However from the results compensation package work environment and performance management are the main contributors to turnover in the pharmaceutical industry.

The study found out that Human resource management practices have a significant positive effect on turnover intention. The respondent agrees that organizations always pay salaries due to employees on time but disagree that the pay increment to employee is satisfactory , indicating that they exist no proper salary increment practices.

5.3 Conclusion

The findings supports the hypotheses that a significant positive effect exist between the independent variables variable (HRM practices) and the dependent variable. Organization can use a fair Performance management system to extract the best out of the employee while making them aware of their responsibilities and individual growth path. This is crucial to the organization strategy of retaining valuable workers. Unfair system leads to demotivation and disengagement of the workers.

The prospect of better and improve pay in another organization is one major turnover factor. This practice is not confined to any level but reflects across the industry, a fair and equitable pay based on a transparent system will motivate an employee not to leave. Organization should strive to make the work environment friendly and conducive. The employees should not have a perception of being cheated, ignored or undervalued .Open and transparent communication with the organization enhance trust, confidence and trust between the parties involved. Managers should avoid alienating employees by making impersonal, arbitrary, and demanding decision.

5.4 Recommendation for further studies

The result of the research is based on the manufacturing pharmaceutical firms in Nairobi. It is recommended that similar study be conducted to include other regions in Kenya as the contextual factors in other regions and other organizational factors are not the same therefore differently can influence the variables

Secondly it is further suggested that a wide study covering the total manufacturing Sector as opposed to a sub sector (pharmaceutical). To be able to generate more information in for the purposes of developing a more comprehensive policies.

5.5. Limitations of the study

The first constraint faces was subjectivity and reliability of data. The self-reported survey method used is prone to subjectivity as it depends on the views and belief of the respondent honesty. The results depends on the time of answering of the question, whether he is busy, or in a bad mood. Secondly accuracy constraint it was difficult to reach the respondent directly and therefore verification of the accuracy in answering the questions was very challenging because of difficulties in getting permission to meet the respondent Lastly time constraint was another limitation faced during the survey, to complete the gathering of information took some time .Authorization from the senior management was required to enable the employee fill that questionnaires

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APPENDIX I

Questionnaire for Human Resource Management Practices and Employee Turnover

PART A: DEMOGRAPHICS

1. Name of the Organization.....
2. Designation and Level
 Director Manager Human Resource Manager Employee
 Management Unionaizable
3. Years of operation in Kenya
 Up to 10 Years
 11 to 20
 21 to 30
 31 to 40
 Above 40 Years
4. Number of employees
 Up to 100
 101 to 200
 201 to 300
 301 to 400
 Above 400

PART B: HUMAN RESOURCE MANAGEMENT PRACTICES

Rate the extent to which you agree/disagree with the following statements by marking the appropriate using the scale below:

1=Strongly Disagree; 2=Disagree; 3=neither Disagree nor Agree; 4=Agree; 5=Strongly Agree

<i>Statements</i>	1	2	3	4	5
Recruitment and Selection					
Recruitment and selection process used for in hiring in the organization is rigorous					
A Candidates selection in our organization is strictly based merit.					
Candidates are provided with adequate and relevant information about the organization and job at the time of recruitment'					
Selection procedure is objective and based on job description and person specification against what is offered.					
Our organization places the right person in the right job.					

<i>Statements</i>	1	2	3	4	5
Training and Development					
Our organization includes social skills, general problem solving skills and broader knowledge of the organization and business in the training objective.					
Participation in various seminars and workshops by employees is encourage by the organization					
The organization provides formal training to the newly hired staff					
Training programs contents organized by the organization					

	always reflects the changing needs of our jobs and our business					
	Formal training programs to employees aims at increase their promotion in the organization.					

<i>Statements</i>		1	2	3	4	5
Compensation and Benefits						
	Job performance is crucial factor used to determine the compensation of employees					
	Remuneration is competitive compared to what is offered in other organizations.					
	Pay increments offered to employees are satisfactory.					
	This company has a comprehensive reward policy for all employees.					
	Our organization always pays salaries due to the employees in time					

<i>Statements</i>		1	2	3	4	5
Performance Management system						
	Performance management system is clearly defined in the organization					
	Job description clearly defines the KRA which performance is rated.					
	Performance appraisal goals are formally set and agreed between the supervisor and employee.					
	Disagreement regarding the appraisal decision is freely					

	expressed.					
	Promotions are strictly based on performance management system					

<i>Statements</i>	1	2	3	4	5
Career development system					
The organization always creates opportunity for career development programs					
Employees have sources other than their managers for career advice.					
There is a well explained organizational policy on career development Programme.					
Open positions are filled through a clearly defined process based on merit.					
The managers are adequately trained to support the employee career development policy					

<i>Statements</i>	1	2	3	4	5
Employee relations					
There is always a good industrial relations in the organization					
Employees have free access to the top management and are always involved in decision affecting them.					
Management has a strong faith in the employees and value them					
The turnover rate is high in this organization					
This organization has a clear grievance and disciplinary procedures in place					

PART C: TURNOVER INTENTIONS FACTORS

<i>Statements</i>	1	2	3	4	5
Turnover Factors					
Employees make quit decision known immediately they get an equivalent or better job in another organization.					
Due to limited opportunities for training in this organization, employees don't hesitate to quit if they get opportunity elsewhere.					
Employees are not always rewarded or compensated for improved or better performance.					
Employees who quit lack sufficient skills and abilities to cope with their colleagues.					
The employees leave this organization looking for better pay in other organizations.					

APPENDIX II

Below are some of the manufacturing companies in Nairobi

1	Bayer East Africa Limited	11	High Chem East Africa Limited
2	Beta HealthCare (Shely's Pharmaceuticals)	12	Laboratories and allied Limited
3	Biodeal laboratories limited	13	Mac's Pharmaceutical Limited
4	Bio Pharma Limited	14	Nerix Pharma Limited
5	Cosmos Limited	15	Njimia Kenya Limited
6	Comet health Care Limited	16	OSS-Chemie (K) Limited
7	Concept Africa Limited	17	Regal Pharmaceutical Limited
8	Dawa Limited	18	Sky light Chemicals Limited
9	Ely's Chemical Industries Ltd – Nairobi	19	Sphinx Pharmaceutical Limited
10	Glaxo- SmithKline	20	Universal Pharmaceutical Limited (EPZ, 2005).

Source: Kimotho J.H, The *drug-index.it*, 15th edition Eastern Africa Rx